of immigrants upon arrival from abroad; to the Committee on Immigration and Naturalization.

By Mr. MAGUIRE of Nebraska: Petition of various business men of Johnson, Burr, and Falls City, all in the State of Nebraska, favoring House bill 5308, to tax mail-order houses; to the Committee on Ways and Means.

By Mr. J. I. NOLAN: Resolutions of Montezuma Tribe, No. 77, Improved Order of Red Men, and of SanFrancisco Parlor, No. 49, Native Sons of the Golden West, of San Francisco, Cal., favoring the passage of the Hamill bill (H. R. 5139); to the Committee on Reform in the Civil Service.

By Mr. O'SHAUNESSY: Petition of Rev. J. H. Roberts, of Greenville, R. I., favoring national prohibition; to the Committee on Rules.

Also, petition of Mrs. O. H. P. Belmont and others, of Newport, R. I., favoring woman suffrage; to the Committee on Rules.

By Mr. REILLY of Connecticut: Petition of the New Haven (Conn.) Socialist Party, favoring operation by Government of all food industries; to the Committee on Interstate and Foreign Commerce.

By Mr. SCOTT: Petition of the Woman's Home Missionary Society of the Methodist Episcopal Church of Sioux City, Iowa, against running railroad tracks in front of Sibley Hospital, Washington, D. C.; to the Committee on the District of Columbia.

By Mr. STEPHENS of California: Petition of Montezuma Tribe, No. 77, Improved Order of Red Men, and Parlor 49, Native Sons of the Golden West, of San Francisco, Cal., favoring Hamill civil-service retirement bill; to the Committee on Reform in the Civil Service.

Also, petition of Charles E. Yale, of Santa Monica, Cal., against the proposed war tax on cigars; to the Committee on Ways and Means.

Also, petition of the General Contractors' Association of San Francisco, Cal., against House bill 14288, providing for segregation of the mechanical equipment of the United States Government buildings; to the Committee on Public Buildings and Grounds.

Also, petition of the Master Roofers and Manufacturers' Associations of San Francisco, Cal., against passage of the Clayton antitrust bill at this time; to the Committee on the Judiciary.

By Mr. STEVENS of Minnesota: Petition of sundry citizens of St. Paul, Minn., protesting against any increase in tax on cigars; to the Committee on Ways and Means.

By Mr. WATSON: Petition of sundry citizens of Surry County, Va., relative to establishment of a rural-credit system; to the Committee on Banking and Currency.

By Mr. WEBB: Petition of sundry citizens of Thompson and Sterling, Conn., favoring national prohibition; to the Committee on Rules.

By Mr. WILLIS: Petition of Ransom Reed Post, No. 113, Department of Ohio, Grand Army of the Republic, in favor of Federal appropriation in aid of the national celebration and peace jubilee to be held at Vicksburg, Miss., in October, 1915; to the Committee on Military Affairs.

Also, petition of the Central Federated Union, of New York City, in favor of the passage of the seamen's bill; to the Committee on the Merchant Marine and Fisheries.

Also, memorial of the Grand Council of Ohio, United Commercial Travelers of America, in favor of the creation of a coast guard; to the Committee on Interstate and Foreign Commerce.

Also, petition of Ray G. Kumler and 38 other citizens of Degraff, Ohio, in favor of House joint resolution 168, relative to nation-wide prohibition; to the Committee on Rules.

Also, petition of M. F. Hawley and 40 other citizens of Rosewood, Ohio, in favor of House joint resolution 168, providing for nation-wide prohibition; to the Committee on Rules.

Also, petition of C. G. Leiter and other members of the Christian Endeavor Society of Mount Gilead, Ohio, in favor of the adoption of House joint resolution 168, relative to nation-wide prohibition; to the Committee on Rules.

Also, petition of Z. E. Kelley and other members of the Christian Endeavor Society of the First Church of Christ of Findlay, Ohio, in favor of House joint resolution 168, relative to nation-wide prohibition; to the Committee on Rules.

Also, petition of the Department Veteran Army of the Philippines, relative to the improvement of the civil service in the Philippines; to the Committee on Insular Affairs.

Also, petition of W. A. Brand Post, No. 98, Department of Ohio, Grand Army of the Republic, in favor of Federal appropriation in aid of the national celebration and peace jubilee to be held at Vicksburg, Miss., in October, 1915; to the Committee on Military Affairs.

SENATE.

MONDAY, *August 31, 1914.*

(Legislative day of Tuesday, August 25, 1914.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House had passed the bill (S. 6357) to authorize the establishment of a bureau of war risk insurance in the Treasury Department, with amendments, in which it requested the concurrence of the Senate.

PROPOSED ANTITRUST LEGISLATION.

The Senate, as in Committee of the Whole, resumed consideration of the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. CULBERSON. Mr. President, I submit a proposal for a unanimous-consent agreement.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Brady	Fletcher	Martin, Va.	Shafroth
Bryan	Gallinger	Martine, N. J.	Sheppard
Burton	Hitchcock	Myers	Simmons
Chamberlain	Hollis	Nelson	Smoot
Chilton	Hughes	O'Gorman	Sterling
Clapp	Jones	Overman	Swanson
Culberson	Kern	Perkins	Thomas
Cummins	McCumber	Pomerene	Thornton
Dillingham	McLean	Reed	White

Mr. DILLINGHAM. My colleague [Mr. PAGE] is still detained in Vermont on account of illness in his family.

The VICE PRESIDENT. Thirty-six Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. OLIVER, Mr. SMITH of Michigan, Mr. THOMPSON, Mr. TOWNSEND, Mr. VARDAMAN, and Mr. WILLIAMS answered to their names when called.

Mr. NORRIS, Mr. CLARKE of Arkansas, and Mr. RANSDELL entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-five Senators have answered to the roll call. There is not a quorum present. The Sergeant at Arms will carry out the instructions of the Senate heretofore given, and request the attendance of absent Senators.

Mr. BANKHEAD, Mr. COLT, Mr. GORE, Mr. SHIVELY, Mr. LANE, and Mr. PITTMAN entered the Chamber and answered to their names.

The VICE PRESIDENT. Fifty-one Senators have answered to the roll call. There is a quorum present. The Secretary will state the unanimous-consent agreement.

The Secretary read as follows:

It is agreed by unanimous consent that at not later than 2 o'clock p. m. on Monday, August 31, 1914, the Senate will proceed to vote upon any amendment that may be pending, any amendment that may be offered, and upon the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes, through the regular parliamentary stages to its final disposition; and that after the hour of 2 o'clock p. m. on said day, August 31, 1914, no Senator shall speak more than once or longer than 15 minutes upon the bill or upon any amendment offered thereto.

The VICE PRESIDENT. Is there any objection?

Mr. REED. I suggest to the author of the unanimous-consent agreement that he make it 4 o'clock instead of 2.

Mr. CULBERSON. The change may be made, Mr. President. I accept it with pleasure.

Mr. REED. I make the further suggestion that the limitation which provides that no one shall speak more than once be amended so that the author of an amendment may be permitted to speak twice, but not to consume in the aggregate more than 20 minutes.

Mr. CULBERSON. That is satisfactory to me.

Mr. CUMMINS. Mr. President, I should like to have the first part of the agreement as to the time of voting again stated.

The VICE PRESIDENT. The Secretary will restate the part of the agreement to which the Senator from Iowa refers.

The Secretary read as follows:

It is agreed by unanimous consent that at not later than 4 o'clock p. m. on Monday, August 31, 1914, the Senate will proceed to vote upon any amendment that may be pending, any amendment that may be offered, and upon the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. CUMMINS. My inquiry is this: After 4 o'clock can we discuss amendments offered to the bill?

Mr. GALLINGER. Oh, yes.

The VICE PRESIDENT. The Secretary did not state the entire proposed agreement.

Mr. CULBERSON. Under the proposed agreement after 4 o'clock amendments can be discussed for 20 minutes. I ask that the Secretary read the entire agreement.

The VICE PRESIDENT. The Secretary will read the proposed agreement.

The Secretary read as follows:

It is agreed by unanimous consent that at not later than 4 o'clock p. m. Monday, August 31, 1914, the Senate will proceed to vote upon any amendment that may be pending, any amendment that may be offered, and upon the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes, through the regular parliamentary stages to its final disposition, and that after the hour of 4 o'clock on said day, August 31, 1914, no Senator shall speak more than once or longer than 15 minutes upon the bill or any amendment offered thereto, except the author of an amendment may be permitted to speak twice, but not to consume in the aggregate more than 20 minutes.

Mr. CUMMINS. Mr. President, I think I understand what is intended, but it seems to me there is a little conflict in the agreement. If we proceed to vote at 4 o'clock, it is hard for me to comprehend how we can debate after 4 o'clock.

The VICE PRESIDENT. This is in the regular form of unanimous-consent agreements which have been entered into since the present occupant of the chair has been presiding.

Mr. CUMMINS. I understand that debate to the extent of 15 minutes for each Senator on each amendment is allowed after 4 o'clock?

The VICE PRESIDENT. That is allowed after 4 o'clock.

Mr. CUMMINS. Then I have no objection.

Mr. GALLINGER. The author of an amendment is allowed 20 minutes?

Mr. CUMMINS. Yes.

Mr. JONES. Mr. President, does this agreement apply to the calendar day or to the legislative day of to-day?

Mr. CUMMINS. Mr. President, there is no time fixed at all, as I understand the agreement.

Mr. JONES. It ought to be ascertained whether the calendar day or the legislative day is referred to. I think it ought to be the legislative day of to-day.

Mr. GALLINGER. We are now in the legislative day of August 25; we are not in a calendar day.

Mr. REED. I think it should be the legislative day for this reason: I am willing for this agreement to be made and am willing to get this debate down to fair limits, but when we get to that limited point, debate is bound to end in a reasonable time, and we ought not to be compelled to sit here until 12 o'clock at night.

Mr. JONES. That is what I had in mind.

Mr. SMOOT. It should be the legislative day, but it reads "on said day, August 31."

Mr. JONES. The proposed unanimous consent says "on said day, August 31," and therefore the bill must be disposed of on the calendar day of August 31.

The VICE PRESIDENT. It is the calendar day, as the agreement now stands.

Mr. CULBERSON. I am perfectly willing to have it legislative day or to make any agreement that may be satisfactory to the Senate in order that there may be a final conclusion of the matter within a reasonable time.

Mr. JONES. If it is understood that the debate need not be closed on the calendar day of to-day, I have no objection at all.

The VICE PRESIDENT. The proposed agreement does not so provide, and the Chair is not going to make that statement. The agreement reads "calendar day."

Mr. CULBERSON. I am willing to insert the word "legislative," Mr. President.

Mr. GALLINGER. Let the word "legislative" be inserted.

Mr. JONES. Let it read "the present legislative day."

Mr. CULBERSON. We take a recess each day at 6 o'clock. We are acting in a legislative day now.

Mr. SMOOT. May I suggest to the Senator that we are now in the legislative day of Tuesday, August 25, and we can continue that legislative day as long as may be necessary.

Mr. CULBERSON. As I have said, I am willing to modify the proposed agreement in any reasonable way to get a vote and to get this matter before the Senate for final conclusion.

The VICE PRESIDENT. The Secretary will read the unanimous-consent agreement as it is proposed to be modified.

The Secretary read as follows:

It is agreed by unanimous consent that at not later than 4 o'clock p. m., on the legislative day of August 25, 1914, the Senate will proceed to vote upon any amendment that may be pending, any amendment that may be offered, and upon the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes, through the regular parliamentary stages to its final disposition, and that after the hour of 4 o'clock p. m. on said day no Senator shall speak more than once or longer than 15 minutes upon the bill or any amendment offered thereto, except the author of an amendment, who may speak twice, but not to consume in the aggregate more than 20 minutes.

Mr. SHIVELY. Mr. President, would not that provide for a vote at 4 o'clock on the 25th day of August?

The VICE PRESIDENT. The proposed agreement will be restated. The Chair thinks that, with a slight modification, the proposed agreement as the Secretary is about to read it will cover the matter.

The Secretary read as follows:

It is agreed by unanimous consent that at not later than 4 o'clock p. m. on Monday, August 31, 1914 (legislative day of August 25, 1914), the Senate will proceed to vote upon any amendment that may be pending, any amendment that may be offered, and upon the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes, through the regular parliamentary stages to its final disposition; and that after the hour of 4 o'clock p. m. on said day no Senator shall speak more than once or longer than 15 minutes upon the bill or any amendment offered thereto, except that a Senator proposing an amendment may speak twice, but not to consume in the aggregate more than 20 minutes.

The VICE PRESIDENT. Is there any objection? The Chair hears none, and the agreement is entered into. The pending amendment is the amendment offered by the Senator from Missouri [Mr. REED], upon which the yeas and nays were ordered, and on being taken on Saturday last disclosed the lack of a quorum.

Mr. THOMAS. I ask that the amendment of the Senator from Missouri be restated.

The VICE PRESIDENT. The Secretary will restate the amendment.

The SECRETARY. It is proposed to strike out the first paragraph of section 8, on page 8, and in lieu of the words stricken out to insert:

That no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of another corporation engaged also in commerce in the same line or lines of business.

Mr. THOMAS. Mr. President, in my judgment the amendment offered by the Senator from Missouri is not only a most pertinent but a very essential one if this bill is to accomplish the purposes for which it has been framed. This amendment is designed to take the place of the first paragraph of section 8, whose phraseology it substantially follows down to the point where the restriction is qualified.

In the section as reported by the committee a corporation engaged in commerce is prohibited from acquiring "the whole or any part of the stock or other share capital of another corporation" only "where the effect of such acquisition is to eliminate or to substantially lessen competition between the corporation whose stock is so acquired and the corporation making the acquisition, or to create a monopoly of any line of commerce."

Mr. President, I would be better satisfied with the proposed amendment if it absolutely prohibited one corporation from holding shares or stock in any other corporation. At common law no such power existed. At common law and under the statutes of most of the States down to a quarter of a century ago the restrictions which experience had demonstrated to be necessary to safeguard the people against the growing power and expansion of corporate life were those the observance of which made it impossible for a corporation to invade the province of individual opportunity or individual right.

Mr. OVERMAN. May I interrupt the Senator?

Mr. THOMAS. Certainly.

Mr. OVERMAN. If that had been the law 20 years ago, it would have been disastrous to the southern country. Let me give the Senator an example.

North Carolina, my State, has gotten to be a great cotton-manufacturing State, as the Senator knows. Our people in little communities have subscribed stock to build cotton mills. They have been able to put up the building and get stock for the capital, but they have not been able to buy the machinery. They have gone to Massachusetts, and the Massachusetts machinery people have furnished them machinery, and have taken payment in stock. They have gone to Pittsburgh, Pa., and have secured their boilers and engines. They did not have the money to pay for them, but the Pittsburgh people would sell them their machinery and take payment in stock. In Massachusetts the Whiting Machine Co. would sell them their machinery and take payment in stock.

By that means we have been able to build the cotton mills in my State, and by that means only, because the people did not have the money to buy the machinery, and these people in the North have been kind enough to let them have the machinery and pay for it in stock. If the law had been as the Senator urges that it should be, we could not have built a cotton mill in the State.

Mr. GALLINGER. Mr. President, I will ask the Senator if it is not also a fact that many of our New England manufactories have taken stock directly in the cotton mills of the South?

Mr. OVERMAN. There is no question about that. It has enabled us to build these mills.

Mr. GALLINGER. This would upset the entire business of cotton manufacturing, it seems to me.

Mr. OVERMAN. Why, it would have been absolutely ruinous. Our people could not have built half a dozen mills in the State if they could not have acquired the machinery by means of the manufacturers taking stock in the corporations. They are not engaged in the same line of business. They are not in competition.

Why should not a Massachusetts corporation take stock in a southern cotton mill in payment for furnishing it the machinery? Why should not a Pittsburgh concern let us have a boiler and engine to run one of our mills and take stock in it? I do not see any objection to that. They are not competitive. What is the reason for not allowing them to take stock in the corporation?

Mr. REED. Mr. President, they would not be touched by my amendment.

Mr. OVERMAN. No; not by the Senator's amendment; but I am answering what the Senator from Colorado says—that no corporation ought to be allowed to have stock in any other corporation. The policy of the country has changed. All the States in the Union, probably, have changed from the old common-law idea. There would have been distressing times with us if we could not have had this policy then. Now, do you want to blot out and stop that kind of business?

Mr. THOMAS. Is the Senator through?

Mr. OVERMAN. Yes, sir.

Mr. THOMAS. Mr. President, I still insist that no corporation should be permitted to hold stock in any other corporation. I am aware of the fact that the practice has been indulged in so long that nothing I can say will in any wise change the practice, but I am here to assert that fully 50 per cent of the corporate abuses of the country, of which the people justly complain, and which require us to enact legislation for their removal and to bring all corporate and commercial lines engaged in interstate trade within the restraining influences of national legislation, are due to practices beginning with such "necessities" as the Senator from North Carolina has referred to, and expanding from those beginnings into all avenues of commercial life, until to-day every corporation that is of any consequence counts as part of its assets not only the stock, but through that stock the control, of corporations engaged in the same and in other lines of business.

Mr. President, it may be, and doubtless is, true, as the Senator from North Carolina has stated, that the cotton-manufacturing industry has been largely promoted by the practices to which he refers; but that business, if there was a demand for it—and no doubt there was—could have been and would have been, if the law had not permitted, as unfortunately it did permit, just such investments, developed along other and more legitimate lines of expansion. That, however, is merely a digression.

Mr. CULBERSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Texas?

Mr. THOMAS. I do.

Mr. CULBERSON. Aside from the policy of the amendment of the Senator from Missouri, I will ask the Senator from Colorado if he thinks the Congress of the United States has the authority, under the Constitution, to regulate the ownership of stock in State corporations?

Mr. THOMAS. The Congress of the United States has the right to impose any restriction it sees fit upon the agencies of interstate commerce. My objection to this whole line of proposed legislation is that it does not follow that course. I believe that Congress, in the present emergency, should place certain prohibitive restrictions upon corporations engaged in interstate commerce, one of which would be to prevent their owning stock in other corporations; and of course State corporations, if they carried on interstate commerce, would then be obliged to comply with that requirement or quit doing interstate business.

Mr. CULBERSON. Mr. President, will the Senator submit to a brief observation?

Mr. THOMAS. Certainly.

Mr. CULBERSON. In the Northern Securities case, in One hundred and ninety-third United States, which I reexamined last night, the majority opinion held, in effect, that the ownership of the stock of competing railway corporations engaged in interstate commerce had the tendency and effect of restraining interstate trade and therefore was within the terms of the Sherman antitrust law of 1890.

This amendment, it occurs to me, goes further than that. It prohibits the ownership by one corporation of the stock of another corporation engaged in part in interstate commerce without reference to its effect upon interstate or foreign trade. Therefore it is purely and simply a regulation of the ownership of stock of corporations created by the States, and in my judgment is not only against the majority opinion in the Northern Securities case, but is unquestionably against the minority opinion, delivered by the present Chief Justice of the Supreme Court of the United States.

Mr. THOMAS. Mr. President, in the remarks which I submitted for the consideration of the Senate when the so-called trade commission bill was before us I attempted to point out, and I think successfully, and fortified my position by references to such distinguished authorities as the former Attorney General of the United States, that under the interstate-commerce clause of the Constitution Congress has the power to prescribe the conditions under which the agencies of interstate commerce could transact business. The object of the argument was to demonstrate, if possible, that if that course of legislation were taken the necessity for a trade commission, the necessity for active regulation, the necessity for Federal supervision of the transactions and operations of these great combinations would absolutely disappear, since through compliance with the restrictions of such laws the evils complained of would necessarily disappear, or those agencies would be prohibited from carrying on interstate commerce. I also endeavored to show that we were pledged by our platform to that method of procedure.

Mr. CUMMINS. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Iowa?

Mr. THOMAS. In just a moment.

While I have the profoundest respect for the opinion of the chairman of the committee, who never expresses one upon a subject so important as this until he has fortified himself by a knowledge and a review of the authorities, I am constrained to declare that if we concede that the Congress of the United States, in the exercise of its powers under the interstate-commerce clause of the Constitution, can not impose a restriction like this upon corporations engaged in interstate commerce, then we might as well bid adieu to all attempts to control those agencies and seek some other methods of relief from the abuses of which the country so justly complains.

I yield to the Senator from Iowa.

Mr. CUMMINS. Mr. President, I desire to make a suggestion to the Senator from Colorado, as well as to the Senator from Texas.

The latter Senator has correctly stated the decision in the Northern Securities case, and he has stated the reason given by the court for its decision. I think, however, he has omitted this element: He has assumed that when we passed a law forbidding restraints of trade we had exercised our full constitutional power to regulate commerce.

It is true that in order to make an act an offense as against the antitrust law we must show that the ownership by one corporation of the stock of another does restrain trade; but that is not our full constitutional power. We can regulate commerce in any way we see fit for the public good; and if we desire to say that one corporation engaged in commerce among the States shall not own the stock of another corporation engaged in commerce, I think we have the full constitutional authority to say so.

I therefore do not look upon the decision in the Northern Securities case as at all impairing the validity of the amendment offered by the Senator from Missouri. So far as I am concerned, I go further. I think we can say that a corporation engaged in commerce shall not hold the stock of any other corporation, whether it be competitive or not. It is a condition that we can impose upon a corporation as precedent to its right to engage in commerce. That question, however, is not up at this time, and it is not necessary to consider it.

I make this suggestion to the Senator from Colorado because the point raised by the Senator from Texas is an exceedingly important one, and if his view is accepted we are pretty nearly at the end of our string. If our present laws are not found to be effective, then the whole experiment would be a failure.

Mr. THOMAS. Mr. President, I fully agree with the conclusions just stated so well by the Senator from Iowa. To illustrate the consequences if his position were not substantial, I will take the instance suggested by the Senator from North

Carolina [Mr. OVERMAN], where stock in a cotton manufacturing company is sold to or received by a corporation in Pittsburgh engaged in the manufacture of machinery for the weaving of cotton cloth in exchange for such machinery. Why, it is easily conceivable that the Pittsburgh corporation could demand and receive a majority of the stock in the cotton factory in North Carolina.

Mr. OVERMAN. That is not the case, however. That is not so. They have not done that.

Mr. THOMAS. I do not say it is so. I have not so asserted; but it might be so, and if you acknowledge the right of such a corporation to acquire a single share of stock in the North Carolina company you must concede its right to acquire every share of stock in it, with the result that the concern in Pennsylvania engaged in the manufacture of cotton machinery will also become engaged in the manufacture of cotton cloth through its ownership of another corporation organized under the laws of North Carolina. Now, it is very easy to follow that to its logical consequences and to assume a control not only of one but of every one of the companies in the State of North Carolina by a single concern engaged in the business of manufacturing machinery for weaving cotton cloth. The very moment you recognize the right of one corporation to hold stock in another corporation, whether engaged in the same line of business or not, that very moment you must recognize the right of the holding corporation to own all the stock not only of that company but of every other company engaged in the same business as well as those engaged in other lines of business. It is this vicious principle which lies at the basis of fully one-half of the corporate abuses of which the country justly complains, and which makes it necessary for us to remain here during this long summer season, engaged in the effort to legislate in order to overcome it.

Mr. HOLLIS. Mr. President——

Mr. THOMAS. What we should do is to attack this evil at its very source, and until that is done all of our remedial legislation will prove to be palliative, and palliative only. I yield to the Senator from New Hampshire.

Mr. HOLLIS. I should like to ask the Senator a question. He was on the Finance Committee when the tariff bill was under consideration a year ago. I wish to ask the Senator if any cotton manufacturers and any cotton-mill owners appeared before the committee and asked them to reduce the tariff on cotton machinery?

Mr. THOMAS. Speaking offhand, I do not recall that any such request came from any source, except from those who were competitively engaged in the manufacture of that class of machinery.

Mr. HOLLIS. I think that is correct; and to me it was very significant that the cotton-mill owners did not appear here and ask to have the tariff reduced on cotton machinery, and I ascribe it to this very ownership of the mills by cotton-machine manufacturers.

Mr. THOMAS. I do not recall that any of the cotton manufacturers down South or up North appeared before us and asked for a reduction of duty upon manufactured goods. I think it was simply a situation where the representatives of each industry, desiring to retain as much duty as possible, were naturally chary of attacking the duty upon the product of other manufacturers whose interests were analogous.

Mr. OVERMAN. Did not the cotton-mill people come before the committee and send a brief, in which they stated that they were perfectly willing to have the tariff reduced on certain classes of goods?

Mr. THOMAS. Perhaps they did. I was not on that subcommittee.

Mr. OVERMAN. They did send a brief here, and in it they said the tariff was too high, and they were willing to have the tariff reduced.

Mr. THOMAS. I take the Senator's word for it. It is contrary to my recollection, but I am not going to be distracted from the discussion of the things for which I took the floor.

Mr. OVERMAN. The Senator from New Hampshire [Mr. HOLLIS] interrupted the Senator, and that is the reason why I interrupted him.

Mr. THOMAS. I do not object to the Senator's interruption.

Mr. OVERMAN. I am very much obliged to the Senator.

Mr. THOMAS. It is perfectly appropriate to interrupt me whenever the Senator desires to do so. But, Mr. President, let me come again to this amendment, since it is that which I desire to discuss for a moment. The amendment virtually eliminates from section 8 the conditions under which corporations engaged in commerce may acquire the whole or any part of the stock or other share capital of another corporation. As the paragraph stands the condition will make the prohibition nugatory; as the prohibition stands with the qualification, any corporation engaged in commerce can acquire the whole or any part of the stock of any other corporation by merely asserting that its effect is neither to eliminate nor substantially lessen competition.

Mr. OVERMAN. Is not the Senator mistaken there? The bill provides that no corporation shall own stock in another corporation where it substantially lessens competition.

Mr. THOMAS. That is what I am talking about.

Mr. OVERMAN. We have a trade commission for the purpose of investigating that matter. If they find that that is the case, of course the corporation becomes liable.

Mr. THOMAS. We are going to have a trade commission composed of five members. That commission must investigate the complaints of 100,000,000 people. Those complaints will become as thick as the leaves of autumn, and they will be lodged, of course, as rapidly and disposed of as summarily as the limited powers and qualifications of five men may do so. Before it has been in operation six months the commission will be buried completely out of sight by an overwhelming number of complaints of unfair competition, which it will be powerless to dispose of for five years thereafter. That is one of the reasons why I say that the qualification here will practically destroy the purpose and effect of the prohibition. Suppose that I represent a corporation engaged in the manufacture of cotton-cloth machinery. I use that as an illustration, since it has been brought up here. As the representative of that corporation I have an opportunity to obtain a controlling interest in all the mills of northern Georgia engaged in that business, and I do so. I then operate those mills for the production of cotton cloth, and by virtue of their number and of my control of them I can operate them not only in competition with, but practically to the destruction of the other mills in the State. Complaint is made before the trade commission that I have violated this paragraph of section 8 and acquired the whole or a part of the stock of other corporations engaged in commerce, but I will reply that the effect of that acquisition is not to eliminate and substantially lessen competition, and I offer to prove it.

An issue is joined and the controversy then becomes one of fact. In the first place, the question whether I have violated the section or not will then depend upon the judgment of three out of five men. In the next place, the hearing may be postponed and prolonged to such an extent that the controversy will have become stale and unimportant before it can have been decided; and what is worse, Mr. President, I will have the capacity of showing by expert and other testimony that inasmuch as my corporation is engaged in the manufacture of machinery and the corporations which I control are engaged in the manufacture of cotton cloth there is nothing in the two processes which either eliminates or lessens competition between them.

Now, that is one of scores of illustrations easily susceptible of statement which must produce the consequences that will flow from this section when an attempt is made to put it in practical operation.

Mr. President, the Rock Island company is a holding corporation. It holds all the stock of another Rock Island company, which is also a holding corporation, and the second holding corporation holds all the stock of the Rock Island Railroad Co., which is the operating company. There is a condition in which it can be asserted successfully that the holding of the stock of the holding company holding the stock of the railroad company does not lessen competition, does not eliminate competition, and does not create a monopoly. It is a stock-exchange manipulation which has resulted in the bankruptcy and the ruin of one of the finest pieces of railroad property in the United States, but the process would be legitimized under this section if it shall be enacted into law as reported by the committee.

So, Mr. President, if we are going to legislate upon this great subject in such wise as to make our legislation effective, if we are going to legislate in such wise as to bring that relief to the people which they are looking to us to effect for them, if we are going to enact repressive legislation that will repress, then we should eliminate from this proposed amendment such qualifications to the prohibitive clauses of the bill as will make those prohibitive clauses meaningless or easy for adverse construction.

I hope, Mr. President, that my view concerning the operation and effect of this measure, if the amendment is rejected, will prove in the future to have been ill founded. I hope when the law comes into operation it will justify all the expectations of those who have framed it and who are directly responsible for its consideration. But I am unable, Mr. President, to perceive how this paragraph is anything more than a mere legislative

poultice to be applied to the exterior—the disease being an internal one—or how it is going to operate otherwise than to defeat and to destroy.

This is a very important measure. Without it the whole scheme of additional legislation falls to the ground. The commission created by another bill and charged with the duty of preventing unfair competition is going to be charged as well with the duty of carrying out and effectuating many of the provisions of this act. If unfair competition is so broad and general and sweeping in its character as to give that body absolute power to prohibit all sources and evidence of unfair competition, let not this bill be so framed as to operate as a modification rather than substantial complement to the original purpose for which we have brought it into existence.

Mr. CUMMINS. Mr. President, I intend to vote for the amendment proposed by the Senator from Missouri [Mr. REED], but a word of explanation, I think, is necessary. I believe the amendment proposed is a great deal better than the bill as passed by the House. But it has two defects in it which I think it is but fair that I should suggest, because I intend ultimately to offer a substitute for the entire section 8, and I will discuss the subject briefly when I have an opportunity to offer that amendment.

The defects to which I have referred are:

First, the amendment relates only to future acquisitions of stock. I think the law that we pass should relate to the existing situation as well as to future conditions.

Second, the amendment is modified or influenced by the succeeding paragraphs in the section so that a large part of its effectiveness would be destroyed. These paragraphs I have already mentioned and already commented upon to some extent. I do not intend to prolong the debate upon it now. I hope the amendment will be adopted, because if it is and my substitute is not adopted we will have a great deal better law than we shall have if we pass the paragraph as it came from the House.

Mr. REED. Mr. President, just a word on this amendment. I find there is a little misunderstanding about it. I want to clear that up, and I will take but a moment to do it.

The amendment does not propose to strike out all of section 8. It applies only to the first paragraph of section 8, and allows the balance of that section to remain unimpaired and unchanged.

Now notice the language, and I call the attention especially of the Senator from North Carolina [Mr. OVERMAN]. The language of the first paragraph of section 8, as I propose to amend it, reads:

> That no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of another corporation engaged also in commerce in the same line or lines of business.

It does not prohibit a corporation that manufactures a boiler or an engine from selling it to a cotton factory and taking pay in stock because it is not engaged in manufacturing cotton; it is making boilers or engines. The sole difference, as I view it, between the section as I have asked to have it amended and the section as reported by the committee is that in the bill as reported by the committee the language reads as follows:

> Where the effect of such acquisition is to eliminate or substantially lessen competition.

Now, that is a very difficult thing to prove. It constantly brings up a question of dispute, and what I am asking is that we shall furnish an absolute rule and test it by facts easily ascertained. It is easy to ascertain whether two corporations are engaged in the same line of business, but it is wholly a different question to ascertain whether they are actually competing; and I think this would remove the difficulty.

Mr. CHILTON. Will the Senator allow me to ask him a question?

Mr. REED. Yes.

Mr. CHILTON. The Senator proposes to say "in the same line or lines of business." I wish to suggest to the Senator this situation: Take a corporation engaged in the manufacture of steel. Suppose another corporation was engaged in the production of iron ore. Would the Steel Corporation be justified under this language in holding stock in the company that produced the raw material?

Mr. REED. I think it would. I think it would not be barred.

Mr. CHILTON. Then does not the Senator think that the difficulty he is trying to get relief from is not met by his amendment?

Mr. REED. It is not met absolutely, and it never will be met, until, as the Senator from Colorado [Mr. THOMAS] suggests, we go back to the old common-law doctrine that one corporation can not own the stock of another. But I call the Senator's attention to the fact that if the illustration he uses would not be covered by the language of my amendment it certainly would not be covered by the language I seek to amend. His argument would go as much against that, and even more than against my amendment. I do not claim that this will stop everything. I claim that it will be a long step in that direction.

Mr. CHILTON. I take it, we can go, it is claimed that we can, even further than the Senator from Colorado, and say that the corporation shall not engage in interstate commerce at all, and go back to the doctrine that it shall be done entirely by individuals. That, though, is a matter of policy in meeting the present situation.

Mr. REED. I understand it is a matter of policy, but the Senator does not meet the case by submitting that the amendment which I have now offered will not cover all the cases when he must admit that his objection to my amendment is that it covers more cases than the language it seeks to displace.

Now, Mr. President, I will call the Senator's attention to another matter. The paragraph as amended leaves in the section the qualifying clause that it "shall not apply to corporations purchasing such stock solely for investment, and not using the same, by voting or otherwise, to bring about, or in attempting to bring about, the substantial lessening of competition"; so that a bank can loan money upon stocks, investors can purchase stock, corporations can obtain stock in another. They simply can not obtain stock in a company that is doing the same line of business they are doing.

Now, is that wise? A final word upon it. An absolute prohibition was the old common law. It is the rule of right and the rule of reason that can be sustained by arguments too long to repeat here.

Mr. SHEPPARD. Let me ask the Senator, would it not be better instead of substituting his amendment for the first paragraph of section 8 to add it to that paragraph?

Mr. REED. There would be some conflict, I think, then. I feel sure this will cover it. I want to call the attenion of the Senate to the fact that we are traveling a beaten path here. I have had a very hasty examination made of the statutes of the various States. I do not say it is absolutely accurate, but according to this examination, which I think is, if not entirely accurate, substantially accurate, I find that in 24 States of the Union corporations are not permitted to own stock of other corporations. In a few other States they are permitted to own the stock in certain corporations. That is reached in this way. Where a State has made no provision and where the common law obtains, this rule applies. I read from the case of De La Vergne Co. *v.* German Savings Institution (175 U. S., p. 54):

> But as the powers of corporation, created by legislative act, are limited to such as the act expressly confers, and the enumeration of these implies the exclusion of all others, it follows that, unless express permission be given to do so, it is not within the general powers of a corporation to purchase the stock of other corporations for the purpose of controlling their management.

Then follows a large number of decisions which are cited.

Mr. President, Arizona has no provision permitting such stock ownership. There is a peculiar provision of that law, however, which was copied by Iowa and was held to give the implied power. Arkansas has no provision for stock ownership; California has none. In the District of Columbia it is expressly prohibited. Florida has no such provision. In Georgia it is expressly prohibited by the constitution. In Illinois mining and manufacturing companies are permitted to hold stock in any one connecting railroad, but the right is limited to that. In Indiana it is permitted in only certain instances. Iowa has no such provision; Kansas has no such provision; Kentucky has no such provision. In Louisiana corporations can hold stock, but they can not vote it. In Maine manufacturing, mechanical, mining, and quarrying corporations may purchase or hold the stock and bonds of other corporations, but the law seems to be limited to those particular corporations. In Massachusetts there is no such provision; in Michigan there is no such provision; in Mississippi it is expressly prohibited. In Missouri there is no provision, except, I think, in one or two instances which rarely occur; otherwise it can not be done. In Nebraska there is no such provision; in New Hampshire a corporation is permitted to hold stock in payment of debts due the corporation, but it must be sold within five years after title is perfected. In North Dakota there is no such provision. In Oklahoma it is expressly prohibited except where the stock is pledged in good faith for a debt; in Oregon there is no such provision. There is some limitation in Rhode Island, but it would take too long to explain it. In South Dakota there is no such provision. In Tennessee construction companies may receive stock in payment for work done. In Texas there is no such provision, but it is claimed there is a right there under the general powers of corporations, which are very broad in

this particular respect. Utah has no such provision; Vermont has none; Virginia has no express provision. West Virginia has no provision permitting stock ownership.

Mr. CHILTON. Mr. President, the Senator from Missouri is mistaken as to that. As I stated the other day to the Senate, there is an express provision allowing one corporation to own the stock of another under an act of West Virginia. I have forgotten the exact date of that act, but it was passed many years ago.

Mr. REED. This statement I have made was taken from a compilation of the corporation laws of the United States. As I have said, my examination has been hasty, and there is a possibility of an error; but it is safe to say that in more than half the States of this Union stock ownership by one corporation in another corporation is prohibited. It is a wise and wholesome condition of affairs.

We therefore take no radical step here when we say that a corporation shall not engage in commerce if it holds the stock of another corporation engaged in the same line of business, the solitary distinction between the amendment and the text as it comes to us from the committee being that under the committee text the limitation is where corporations are engaged in competition, which is always a difficult thing to prove.

Mr. President, under the subsequent clauses of the bill a corporation may obtain stock in payment of a debt or it may even buy stock in a company in the same line of business if it does not, through the voting of that stock, undertake to create a monopoly in restraint of trade.

Mr. President, the Senator from West Virginia [Mr. CHILTON] called my attention to the law of his State, and in order that he may understand that I have endeavored to be accurate in my statement I will say to him——

Mr. COLT. May I ask the Senator from Missouri a question before he goes to another point?

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Rhode Island?

Mr. REED. Certainly.

Mr. COLT. This proposed amendment forbids corporation A from acquiring stock in corporation B. Now, I should like to ask the Senator from Missouri if the same effect, so far as the elimination of competition is concerned, would not be accomplished if corporation B was wound up and corporation A bought the property and paid for it in stock of the company? I can not quite understand the reason upon which this provision is founded if its purpose is to prevent the suppression of competition.

Mr. President, it has been said that under the old common law a corporation could not acquire stock in another corporation. But suppose that under modern conditions we find an infinite number of corporations, and suppose, further, that these corporations are now dealt with as individuals and that the customs and usages of business men growing out of trade necessities have recognized that one corporation might acquire the stock in another corporation, is there any good reason why this practice should be condemned by the law?

We sometimes forget that there are two kinds of law and two different courts. There is the court of society, with its rules and regulations which govern men in their intercourse with each other, and the only difference between the rules laid down by society and legal rules is that the latter are enforced by compulsion.

Now, with respect to questions which relate to trade and commerce, my first inquiry is, What are the rules and practices recognized by society and which are in accord with its sense of what is right and just?

If in the development of corporations society has recognized certain usages and practices which are in accord with its sense of justice and its intellectual and moral judgment, Congress should not attempt by some arbitrary law to overthrow these customs and usages and thereby endeavor to check the natural and normal development of society.

Mr. REED. Mr. President, at the moment the very learned Senator from Rhode Island arose to ask his question I was about to state——

Mr. COLT. I beg the Senator's pardon for wandering from the question.

Mr. REED. I was about to call the attention of the Senator from West Virginia to the fact that the authority which I consulted contains a statement which, in order that it may be seen that I have tried to state the rule correctly as to his State, I desire to read:

> No corporation shall be incorporated for the sole purpose of purchasing real estate in order to sell the same for profit, nor shall it, except by a vote of its stockholders regularly had, subscribe for or purchase the stock, bonds, or other securities of any joint-stock company, or become surety or guarantor for the debt or default of such company.

That would not cover the situation exactly; but in reading this through hastily and making up this list that clause was carelessly read. That is all there is to say about it.

Mr. CHILTON. No, Mr. President; the Senator has not been careless; but the law does not state what the Senator thought it stated. What the Senator has read is the law of West Virginia, but that law simply requires the purchase of the stock of one corporation by another corporation to be accomplished by the action of the stockholders and not by the directors; that is all. It allows such stock to be so acquired; in fact, authorizes it; but it must be done by a vote of the stockholders and not by the directors.

Mr. REED. I stated it too broadly; that is all. I want the Senator and everybody else to understand that in making this hasty examination of these laws—and I so stated in advance—there might be some errors.

Mr. President, answering the Senator from Rhode Island [Mr. COLT], who interrupted me a few moments ago with the somewhat remarkable argument that there are two kinds of law, one the law of society and the other the public law, I think I recognize the distinction the Senator means to make, and we all recognize that as to a great many of their acts the people are not governed by the absolute laws of the land; that there is a higher law, and there are higher impulses and higher instincts. The church, the school, and all the moral societies tend to keep mankind upon a high plane, but the fact that the higher law exists has not deterred us from passing laws to prohibit murder, arson, rape, and larceny. Neither has it stopped us from undertaking to regulate the action or to prohibit the power of great combinations.

If we, sir, were to settle this question by the higher law; if the higher law could protect the people of the United States from the aggressions of vast combinations; if it were effective for that purpose there never would have been a combination in this land, for the higher law is, and the common judgment of the people of the United States is, that no concern ever ought to be so great or so powerful as to control the prices of articles the people must buy. The common judgment of mankind, the higher law, is that a man has no more right in the commercial field to create a monopoly and to crush and destroy his weaker rival than a pirate with a ship armed with cannon has the right to sail the high seas and destroy honest merchantmen.

We come, then, to the question of disobedience through all these years to the higher law. That disobedience is manifest and apparent to all. We are seeking to remedy it by a positive law. Does the Senator mean to intimate that if we pass this law we will be overruled in the court of public opinion and that the law of Congress would be nullified? Surely he did not mean that; but if he did not mean that, it is difficult for me to understand just what he did mean.

It is true that corporations have been buying the stock of each other——

Mr. COLT. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Rhode Island?

Mr. REED. I do.

Mr. COLT. Mr. President, I agree with what the Senator has said with regard to monopoly. I believe, however, that for corporation A to buy stock in corporation B, although they may both be engaged in the same line of business, might be, under some circumstances, a perfectly proper and legitimate transaction. I believe, further, that if corporation A bought the stock of corporation B with an intent to form a combination in restraint of trade, or with an intent to establish monopoly, and thereby to control prices, or to limit output, or to crush competition, then it should be prohibited. Such acts at the present time clearly come under the condemnation of the Sherman Act.

My objection to this detailed legislation is that it covers, in many cases, transactions which are perfectly legitimate. There may be, for example, two cotton mills making the same line of goods, one of which is managed in an inefficient way, so that the stockholders do not get any return upon their investment, while the other is well managed and pays dividends. Is there any harm in one of those corporations buying the stock of the other and thereby protecting the mill which is inefficiently managed?

I agree entirely with the Senator that monopoly should be prohibited; but again I ask if such a transaction as the one to which I have referred is wrong—and I can not see why it is—is there any difference between that transaction and consolidating the two corporations by the actual purchase of the

property of one of them? If the wrong consists in the elimination of competition, then we are forced to this conclusion: The elimination of competition is permitted until we reach the corporate unit, but here it must stop.

In other words, you allow individuals to crush each other by competition. You allow the combination of individuals in the form of a partnership which results in the elimination of competition. You allow the combination of partnerships in the form of a corporation, the effect of which is to stifle competition, and then you say at this point: We will stop the elimination of competition, but in effect you do not do this, because you still permit the corporate unit to crush competition by consolidation; that is to say, you forbid the union of A and B corporations by the purchase of stock by A, but you do not forbid the consolidation of the property of these corporations in the hands of A.

Now, I would prevent every purchase of stock or every consolidation which leads to the evils of monopoly or restraint of trade; but my objection to this legislation is that you are forbidding a great many transactions which should be permitted.

Why, Mr. President, the law of cooperation is just as much of a force in our commercial life as the law of competition. The law of cooperation corrects the abuses of cutthroat competition, and the law of competition corrects the abuses of cooperation. Both are essentially monopolistic. Both competition and cooperation seek control, and that is monopoly. Now, the practical question is to cure the evils of both cooperation and competition. You can not eradicate them. You can not destroy either of these great forces which now govern the world of trade and commerce. All you can do is to regulate them. I would prohibit any form of competition or cooperation or combination which was detrimental to the public interest—in other words, any form which enhanced prices, limited output, crushed competition, or which in any other way was detrimental to the public.

Here you have a clear, simple, broad principle to act upon. You have something which the courts can enforce. When, however, you undertake to regulate by law competition with its thousand varieties of form, cooperation with its thousand varieties of form, discrimination in price with its thousand varieties of form, tying contracts with their thousand varieties of form, interlocking directorates with their thousand varieties of form, holding companies with their thousand varieties of form, you are undertaking an impracticable piece of legislation, which will only lead to confusion and injustice, and which is likely to undermine and impair that great fundamental statute which now protects us against the abuses of both competition and cooperation, known as the Sherman Act.

Mr. REED. Mr. President, it would be impossible for the adoption of this particular amendment to curtail in any way the force of the Sherman Act. The learned Senator will not contend that, although it might be implied from his concluding statement.

I want to say to the Senator that nothing I have said is susceptible of the construction that I hold him to be a friend of monopoly. I do not know where he conceived that thought from any remark of mine.

Mr. COLT. I did not intend to say that. I only intended to say that if I did not agree with the Senator's amendment, he might perhaps think that I indorsed monopoly.

Mr. REED. Oh, no. We can all differ here without differing upon any such ground as that.

Mr. President, there is no reason advanced by the Senator why Congress may not properly stop the holding company which he says exists in a thousand different forms. We know it is one of the greatest instrumentalities of monopoly. There is no reason why we can not stop at their inception certain practices which lead to monopoly; and that is the whole purpose of all these weeks of debate. That is what we are trying to do.

I have this one observation to make: There are great reasons why one corporation should not hold the stock particularly of another corporation engaged in the same line of business. When our corporation laws were originally enacted it was recognized that they might lead to great abuse. Accordingly, it was provided in almost every State of the Union that there should be not less than a certain number of stockholders; that there should be a certain number of directors; that there should be directors who resided locally within the State; the amount of capital stock is limited in many States; the issuance of the stock is limited; the right of the shareholders is guarded; the powers of the officers are circumscribed; and in every case there is an attempt at laws to fix in some manner a degree of personal responsibility upon the management of a corporation.

That is all completely nullified, every one of those safeguards is absolutely stricken down, when you permit the control of corporation A by corporation B, for it is no longer controlled by local men; it is no longer controlled by men having a direct personal responsibility to it, but it is controlled by another corporation which may be in a distant State. When you attach together a vast string of these corporations, you create through the corporate management a restriction upon commerce and a control of trade, and you tend constantly toward the creation of monopoly.

Of course, it is possible to imagine two small corporations where a joint stock ownership might do no harm; but because it might interfere in some trifling degree is no reason why we should not strike a blow with the ax at the root of the tree of monopoly, and this is one of the main roots of the tree. It is no answer, either, to say that the corporation might sell all of its assets to another corporation, or that a corporation might go out of business and its properties might be acquired by another corporation. When that is done, it means an increase of capital stock. It means that there is given to the world knowledge of the fact that the property and the business are thus controlled; whereas, under the method of stock ownership, there has been exercised in this country for years a secret control, and frequently monopoly is almost completely worked out through it.

Let me take one illustration. I will refer to my old friend the Harvester Trust. There was a consolidation there of five companies originally. The consolidation of those five companies was taken by the Supreme Court as a very potential fact showing an attempt to create a monopoly. All of that could have been escaped if they had tied themselves together by a common stock ownership or by the ownership by one of the stock of another.

Mr. THOMAS rose.

Mr. REED. Let me go on further with that for just one moment.

That company, in order to market its goods, organized another corporation, every share of the stock of which it owned, and then, through that corporation, sold its goods in every State of the Union. Thus there was but one corporation selling the goods that were produced by a great corporation which was a consolidation of some six or seven other corporations.

Mr. President, what we are trying to do is to stop that sort of thing. The committee is trying to do it. The committee's bill is based upon that. The House of Representatives tried to do it. Their bill is based upon that idea. All I hope to accomplish by the present amendment is to make it much more easy to prove the case.

Mr. THOMAS. Mr. President——

Mr. REED. I yield to the Senator from Colorado.

Mr. THOMAS. I merely wish to add, in connection with what the Senator has just said and as illustrative of the extent to which this abuse may be carried, that the subsidiary corporations of the New York, New Haven & Hartford Railroad Co., which were utilized for the purpose of wrecking that great concern, numbered 326.

Mr. REED. Yes. Now, take that illustration. Suppose the New York, New Haven & Hartford Railroad Co. had gone out and had bought these railroads and bought them in the open. At once the question would have come before the public and before all the authorities and before the Attorney General of the United States, "Is not the New Haven Railroad acquiring competing lines? Is not the New Haven Railroad creating a monopoly in interstate carriage in that whole section of the country?" The country would have been advised of it; and, moreover, the stockholder would have had some chance to protect himself. When, however, they acquired secret ownership of the majority of the stock of these roads, which were held up before the public as independent companies and the public led to believe that they had competition, they defrauded the whole public, and they were able to practice fraud upon the public and upon the authorities of the law until at last a great calamity brought to the attention of the public the fact that there was mismanagement. Then, digging down below the surface, all these conditions were discovered.

Mr. President, we ought to end this thing. We ought to be brave enough to end it now by legislation that may even seem a little radical to some of us. The sooner we adopt legislation that has an edge to it the sooner these practices will cease. The sooner they cease the less disturbance there will be to business by ending them.

The provision as it is now drawn acts only on the future. There ought to be a provision to act upon present conditions, but I think there ought to be allowed a period for readjustment.

I hope this amendment will be adopted. So far as I am concerned, I have presented it to the best of my ability, and whatever the result is I shall be content.

Mr. THOMPSON. Mr. President, before the Senator from Missouri takes his seat I would like to make one suggestion to him.

I know it is the desire of the Senator from Missouri to strengthen the statute, and I have no doubt the committee have the same purpose. The Senator from West Virginia [Mr. CHILTON], representing the committee, has argued that the section of the statute as written by the committee is the broader and the stronger statute. Of course the Senator from Missouri takes the opposite view.

I think that the views of both Senators can be easily embodied in the bill by a slight amendment, and that the suggestion of the Senator from Texas [Mr. SHEPPARD] is valuable in this connection. My suggestion is simply this—if the Senator from Missouri will take this amendment which I hand him and follow me: Let his amendment be embraced in the first part of section 8 just as he has written it, and then simply say:

In the same line or lines of business, and when engaged in different lines of business where the effect of such acquisition is to eliminate or substantially lessen competition—

And so forth. So that the paragraph as amended will read as follows:

SEC. 8. That no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of another corporation engaged also in commerce in the same line or lines of business, and when engaged in different lines of business where the effect of such acquisition is to eliminate or substantially lessen competition between the corporation whose stock is so acquired and the corporation making the acquisition, or to create a monopoly of any line of commerce.

This would make it unlawful for one corporation to own stock in other corporations where engaged in the same line of business, and also when engaged in different lines of business where it creates a monopoly or lessens competition. It seems to me that embraces both ideas and would materially strengthen the measure.

Mr. REED. Mr. President, it would be satisfactory to me with that amendment.

Mr. CULBERSON. Mr. President, I ask the indulgence of the Senate for a few moments with reference to this amendment.

The House provision and the Senate committee amendment are based upon the argument and the decision in the Northern Securities case, reported, as I have already indicated, in One hundred and ninety-third United States Reports. The amendment of the Senator from Missouri, going beyond that, would prohibit any corporation engaged in part in interstate or foreign commerce from purchasing or acquiring the stock of another corporation engaged in interstate or foreign commerce. I invite the attention of the Senate to the decision to which I have referred.

The Supreme Court of the United States, composed of nine members, was divided 5 to 4 against the holding company created in New Jersey to hold the stock of these two great railroad companies of the Northwest. The dissenting opinion of Mr. Justice White, now the Chief Justice, was to the effect that the regulation and control of the ownership of stock of corporations created by a State was not a regulation of commerce, because the ownership of such stock was not in itself commerce. Four members of the court on the other side held that the character of ownership of the stock in that case, where competition was destroyed, or where monopoly was created, or where it was possible to create monopoly, was a restraint of trade, and therefore within the purview of the Sherman law.

Mr. Justice Brewer, not agreeing entirely with either side of this controversy in that court, filed a concurring opinion, practically saying that he adopted the result of the majority opinion rather than its argument, and therefore the decision of the court stood five to four.

As I have already indicated, the House bill and the Senate amendments are based upon the decision of the court in that case. The Senator from Missouri [Mr. REED] would have the Congress of the United States, with its power on this subject limited to the regulation of interstate and foreign commerce, regulate the ownership of stock in corporations created by the States on the ground, narrowed, so far as the amendment goes, that they were engaged in part in interstate commerce, and without reference to whether competition was destroyed or lessened or trade was restrained or monopoly was created. I submit to the Senate that it is the safer rule to confine ourselves to the admitted power of Congress to regulate transactions which are in themselves commerce and not venture to invade the authority and sovereignty of the States of the Union to regulate matters within the province of those Commonwealths.

I hope the amendment will not be adopted, but that the amendment proposed by the Senate committee following the plan of the House will prevail.

Mr. THOMPSON. I ask the Senator from Texas if I understood him as saying that the amendment I suggested is acceptable to him.

Mr. CULBERSON. In the hurried examination which I have been able to make of the proposed amendment——

The VICE PRESIDENT. Just now the Chair wants to say that the proceedings this morning will not be taken as a precedent in the Senate of the United States. There was not a question of doubt about the roll call having been started upon this amendment on Saturday, and the only thing to do was to vote on the amendment this morning as soon as we secured a quorum. The Chair could not entertain any amendment to the pending amendment, because it is being voted upon.

Mr. CULBERSON. I agree with the ruling of the Chair.

Mr. THOMPSON. I understood the Senator from Texas to say that the amendment is satisfactory to him, and that is the reason why I made the suggestion.

Mr. CULBERSON. Oh, no; on the contrary——

The VICE PRESIDENT. There is no question of doubt that the whole proceeding this morning has been irregular. The Chair did not choose to interfere, because Senators desired to discuss the amendment, but the Chair has ruled upon it. Amendments can not be made to the amendment, because the amendment is the pending question, and the yeas and nays have been ordered and partly called.

Mr. REED. Mr. President, I want to say just one word. I have the greatest respect for the opinion of the chairman of the committee upon any legal question, but if the opinion he has just expressed be accurate and correct I think nearly everything we have been doing with reference to this bill is in conflict with that opinion. I think there are other clauses of the bill equally in conflict, and I think the trade commission bill is absolutely in conflict with it.

Under the trade commisssion bill you have undertaken to give them the right to investigate every corporation, and you have given the right to prescribe what they call fair and unfair trade. It is a little too late in this debate to be drawing the line so closely.

Mr. President, I hold to this view. I will not undertake to say that it is correct. I hold to the view that the right of Congress to regulate interstate commerce carries with it the power to do all that is necessary to protect that interstate commerce and see that it flows freely and openly and without obstruction, and that therefore Congress has the power within its discretion to condemn certain acts which are in the nature of consolidations, the reasonable effect of which may be to restrain trade, and that if Congress exercises that power it will not, in my humble judgment, be disturbed by the court.

Mr. President, that is all I desire to say.

The VICE PRESIDENT. The Secretary will call the roll on agreeing to the amendment of the Senator from Missouri [Mr. REED.]

The Secretary proceeded to call the roll.

Mr. COLT (when his name was called). I have a pair with the junior Senator from Delaware [Mr. SAULSBURY] who is detained by illness. In his absence I withhold my vote.

Mr. CULBERSON (when his name was called). I transfer my general pair to the Senator from Arizona [Mr. SMITH] and vote "nay."

Mr. HOLLIS (when his name was called). I have a general pair with the Senator from Maine [Mr. BURLEIGH] and withhold my vote.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT]. In his absence I withhold my vote. If I were at liberty to vote, I would vote "yea."

Mr. TOWNSEND (when his name was called). I have a general pair with the junior Senator from Arkansas [Mr. ROBINSON], which I transfer to the Senator from Illinois [Mr. SHERMAN] and vote "yea."

Mr. WALSH (when his name was called). I have a general pair with the Senator from Rhode Island [Mr. LIPPITT], who is absent from the Chamber. Being unable to obtain a transfer, I withhold my vote.

The roll call was concluded.

Mr. BRISTOW. I am paired with the Senator from Georgia [Mr. WEST]. I transfer that pair to the Senator from California [Mr. WORKS] and vote "yea."

Mr. FLETCHER. I am paired with the Senator from Wyoming [Mr. WARREN]. I transfer my pair to the junior Senator from Kentucky [Mr. CAMDEN] and vote "nay."

Mr. MYERS. Has the Senator from Connecticut [Mr. MCLEAN] voted?

The VICE PRESIDENT. He has not.

Mr. MYERS. I have a pair with that Senator. In his absence I withhold my vote.

Mr. CLAPP. I was requested to announce the unavoidable absence at this particular time of the Senator from Oklahoma [Mr. GORE]. He is paired with the junior Senator from Wisconsin [Mr. STEPHENSON].

Mr. THOMAS. I transfer my pair to the Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. WALSH. I transfer my pair to the Senator from South Carolina [Mr. SMITH] and vote "yea."

Mr. GALLINGER. I was requested to announce the following pairs:

The Senator from New Mexico [Mr. CATRON] with the Senator from Oklahoma [Mr. OWEN];

The Senator from South Dakota [Mr. CRAWFORD] with the Senator from Tennessee [Mr. LEA];

The Senator from Wyoming [Mr. CLARK] with the Senator from Missouri [Mr. STONE];

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from North Dakota [Mr. GRONNA] with the Senator from Maine [Mr. JOHNSON];

The Senator from Massachusetts [Mr. LODGE] with the Senator from Georgia [Mr. SMITH];

The Senator from Pennsylvania [Mr. PENROSE] with the Senator from Mississippi [Mr. WILLIAMS]; and

The Senator from Utah [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. CLARKE].

The result was announced—yeas 22, nays 27, as follows:

YEAS—22.

Ashurst	Jones	Norris	Thompson
Borah	Kern	Perkins	Townsend
Bristow	Lane	Pittman	Vardaman
Chamberlain	McCumber	Poindexter	Walsh
Clapp	Martine, N. J.	Reed	
Cummins	Nelson	Thomas	

NAYS—27.

Bankhead	Hughes	Pomerene	Smith, Mich.
Bryan	James	Ransdell	Smoot
Chilton	Lee, Md.	Shafroth	Swanson
Culberson	Martin, Va.	Sheppard	Thornton
Fall	O'Gorman	Shields	Weeks
Fletcher	Oliver	Simmons	White
Gallinger	Overman	Smith, Md.	

NOT VOTING—47.

Brady	Goff	McLean	Smith, Ga.
Brandegee	Gore	Myers	Smith, S. C.
Burleigh	Gronna	Newlands	Stephenson
Burton	Hitchcock	Owen	Sterling
Camden	Hollis	Page	Stone
Catron	Johnson	Penrose	Sutherland
Clark, Wyo.	Kenyon	Robinson	Tillman
Clarke, Ark.	La Follette	Root	Warren
Colt	Lea, Tenn.	Saulsbury	West
Crawford	Lewis	Sherman	Williams
Dillingham	Lippitt	Shively	Works
du Pont	Lodge	Smith, Ariz.	

So Mr. REED's amendment was rejected.

Mr. REED. I offer an amendment which appears on page 39 of the print of amendments. I ask that it be read.

The VICE PRESIDENT. The amendment will be read.

The SECRETARY. It is proposed to add a new section as follows:

SEC. —. That the attorney general of any State may, at the cost of the State, bring suit in the name of the United States to enforce any of the antitrust laws.

Mr. WALSH. Mr. President, a parliamentary inquiry. My understanding about the matter is that the amendment upon which the vote has just been taken was offered as a substitute for the amendment offered by myself to section 8. Is that correct?

Mr. REED. That is correct. For the time being I withdraw my amendment.

Mr. WALSH. That is why I made the inquiry.

The VICE PRESIDENT. That is right. The question is on the amendment proposed by the Senator from Montana. The Secretary will state the amendment.

The SECRETARY. In section 8, page 8, lines 19 and 20, strike out the comma after the word "acquisition"——

Mr. WALSH. No. I want to present them separately. The first amendment is addressed only to the words "eliminate or."

The SECRETARY. In line 17, strike out the words "eliminate or."

The VICE PRESIDENT. That has been agreed to.

Mr. WALSH. The amendment is to strike out the words "eliminate or," so that it will read "where the effect of such acquisition is to substantially lessen competition."

Mr. OVERMAN. I understand the Chair to state that those two words, the words "eliminate or," were stricken out.

The VICE PRESIDENT. That has been agreed to.

Mr. WALSH. Then I have another amendment which I indicated at the same time. It is to strike out from the same paragraph, on page 8, lines 19 and 20, the words "or to create a monopoly of any line of commerce."

Mr. REED. I desire to ask the Senator from Montana a question. I understand where there has been a consolidation which may result in a monopoly or which may result in a restraint of trade that is sufficient to bring the act within the purview of the Sherman law. This section, at least as to the practices covered by it, will only have the effect where there is a substantial lessening. I ask the Senator if he does not think by the language of the statute we are absolutely narrowing the rule as laid down in the trust cases?

Mr. WALSH. I do not think so, but the question does not seem to me relevant, if I understand it aright, to the amendment which I now offer.

Mr. REED. I am asking only with reference to the other part.

Mr. WALSH. Yes; it has some relevancy to some other feature of the paragraph. The amendment now proposed is to strike out the language "or to create a monopoly of any line of commerce," because there can be no doubt whatever—it is not a subject for discussion—that that is already covered by the Sherman Antitrust Act. I plead with the Senator not to endeavor to reenact that law nor to make any provision in respect to it lest it would be assumed that the later law would wipe out the earlier one. Listen to section 2 of the Sherman Antitrust Act It reads:

Every person who shall monopolize, or attempt to monopolize, or combine or conspire with any other person or persons to monopolize, any part of the trade or commerce among the several States, or with foreign nations, shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished—

And so forth.

This prohibits one corporation from acquiring stock in another corporation, when the effect of it is to create a monopoly of any line of trade or commerce in any section or community. I should like to hear some one tell how that is not already covered by the Sherman Act, and whether, if we put it in here, we are not in all probability amending the Sherman Antitrust Act, so that it will be no longer punishable under its provisions but will be subject to regulation under the provisions of this act.

I plead with my colleague upon the Judiciary Committee not to permit the act to go in this form.

Mr. REED. Mr. President, a parliamentary inquiry. I am utterly unable to understand when the amendment to strike out the words "to eliminate" passed. It was pending, and I offered an amendment as a substitute for it, and the substitute was defeated. Almost instantly I was upon my feet to make an inquiry of the Senator from Montana [Mr. WALSH]. A statement was made that the amendment had been passed. I want to know when it was passed.

The PRESIDING OFFICER (Mr. CHAMBERLAIN in the chair). On Saturday last, the Chair is informed by the Secretary, just prior to the offering of the amendment of the Senator from Missouri.

Mr. REED. Very well. Now, I want to say that I agree with every word the Senator from Montana has said with reference to the necessity of striking out the language that he is now attacking, but I think we ought also to go back to line 8, and in lieu of the word "is" insert "may be," so that the clause would read "may be to eliminate."

I am perfectly willing it shall go by for the present, but I am calling attention to it. I think the Senator from Montana is absolutely right in his construction of this language.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Montana [Mr. WALSH].

Mr. SHIELDS. As I understand the Senator from Montana, he would leave out the words "or to create a monopoly of any line of commerce," as what they express is embraced in sections 1 and 2 of the Sherman law, and that this might be construed as a repeal of that part of the law. I think the Senator's fears are entirely groundless. If this is to be construed as a repealing statute, it is what is known as a repeal by implication. There certainly is no express repeal. There is no better-settled principle than that an implied repeal will never be presumed unless the last statute is directly and absolutely repugnant to and inconsistent with the former one. Repeals by implication

are not favored, and they must appear almost beyond a reasonable doubt before they can be effective.

I think those words are very material, that they are wholesome, and ought to remain in the bill. What we are trying to do is to condemn monopoly, to condemn practices that lead to it, and the proposition now is to strike out all in relation to monopoly in the section.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Ohio.

Mr. SHIELDS. Certainly.

Mr. POMERENE. If the acquisition of the stock is contrary to the inhibition of this section, the result would be the creation of a monopoly. Is not that already provided for in section 2 of the Sherman Act, and therefore if there is no other objection there certainly is no necessity for this provision in the section.

Mr. SHIELDS. Mr. President, that presents a different view of the question. I think there is a necessity for it. The policy of the House in putting section 8 in the bill was in keeping with that outlined by the platforms of the two great political parties, by President Taft in his special message to Congress in December, 1911, after the decision in the cases of the Standard Oil Co. and the American Tobacco Co. It is in keeping with the legislation recommended and advised by President Wilson in his message of last January—that is, the selection of certain specific schemes and devices that are common and ordinary, used by monopolists in forming these combinations, and penalize them. I believe this provision ought to be retained with the criminal penalty. If we strike out all in regard to monopolies in the section, then there is no prohibition of such schemes for the purpose of creating monopoly, and there is no chance hereafter to restore the penal clauses to prohibit the acts therein denounced. Therefore I think these words should not be stricken out.

Mr. CUMMINS. Mr. President, I desire to emphasize the statement made by the Senator from Montana [Mr. WALSH]. It seems to me that we ought not to incur the hazard which we certainly will incur if we leave these words in the paragraph. I think it will have the effect of repealing the antitrust law, so far as monopolies are created through the medium of the holding of stock by one corporation of another. We will have substituted another law for a monopoly so created whenever we pass this statute, and we will have put the enforcement of the law in that respect in the hands of a commission. We will have taken it out of the antitrust law, where it is enforceable through the Attorney General in a civil suit or through a criminal prosecution, and will have put these monopolies so created in the hands of a commission.

While I believe that a commission can perform the most important function in the regulation of commerce, I do not want to give to the commission the enforcement of a statute against a monopoly, for there is no difficulty whatever in perceiving a monopoly and understanding what it is when once the facts are known. Moreover, these words add nothing to the preceding statements in the paragraph. As it is now, I understand, it reads:

> That no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of another corporation engaged also in commerce where the effect of such acquisition is to eliminate or substantially lessen competition between the corporation whose stock is so acquired and the corporation making the acquisition, or to create a monopoly of any line of commerce.

Can any Senator here conceive of an instance in which a monopoly is created in which competition is not substantially lessened as between two corporations? Even if it were not in conflict with the antitrust law, it is a reiteration. When you prohibit the substantial lessening of competition by the acquisition of stock, of course you prohibit a monopoly, because monopoly is the suppression of competition. Why, after you have prohibited the lesser thing, do you find it necessary to go forward and prohibit the greater thing? The injunction against the lessening of competition, of course, reaches every case of an alleged monopoly and reaches a great many others. So I hope, for the sake of the integrity of the antitrust law, as well as the proper expression of this proposed law, the last clause may be stricken out.

Mr. SHIELDS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Tennessee?

Mr. CUMMINS. I do.

Mr. SHIELDS. I should like to ask the Senator from Iowa if he knows of any authority holding that a statute can be repealed by implication where the subsequent statute is not repugnant or in conflict with the former one, or, further, that a reiteration of a former statute repeals it?

Mr. CUMMINS. I know of a great many authorities which hold that if a statute passed to-day is inconsistent with a statute passed 20 years ago the statute adopted to-day governs and repeals entirely or pro tanto the statute of 20 years ago.

Mr. SHIELDS. Certainly; but that is not the proposition. This proposed statute is consistent with the Sherman law.

Mr. CUMMINS. I am asserting that it is inconsistent in this: That it declares the prohibition, and then says that the prohibition shall be enforced through the Federal trade commission, whereas in the antitrust law a prohibition is declared, and it is to be enforced through the administration of the Department of Justice, either through a civil suit or a criminal suit. Those two statutes are inconsistent with each other.

Mr. SHIELDS. Does the Senator think that providing a cumulative remedy for an existing statute repeals it? I have always thought that it was almost equivalent to a reenactment to provide a new method for the enforcement of a statute, and that is all the trade commission bill does if it does anything.

Mr. CUMMINS. If the Senator assumes that this is a cumulative remedy, then nothing remains to be said, but that is assuming the very proposition in controversy. Is it a cumulative remedy or is it an independent and substituted remedy? This is the view that I have taken of the matter: As it can add no strength to the statute, why should we incur the risk that we must inevitably incur if we pass it in its present form?

Mr. WALSH. Mr. President, I want to say a word with reference to that, too. We have given to this Congress, and to the country that is awaiting the passage of this bill, the most solemn assurance over and over again that these remedies are not cumulative to those already provided by the law for violations of the Sherman antitrust law. We have declared that the antitrust acts which Congress is now considering deal with matters which are entirely outside of the Sherman antitrust law and not reached by its provisions at all. When we had the trade commission bill under consideration we were accused time and time again of givng an alternate remedy to the Government in relation to violations of the Sherman antitrust law, and over and over again the assurance was given from this floor that nothing of the kind was contemplated by that legislation at all.

It was said that the Attorney General would have a choice, under the law, whether he should proceed to enforce the Sherman antitrust law in accordance with its original provisions or whether he should hale offenders against that law before the trade commission for the purpose of punishing them as therein provided. We told the Senate again and again that that was not the purpose, that the two were intended to cover practices that were essentially different. So here, Mr. President, we are endeavoring to pass a law not for the purpose of giving a cumulative remedy for enforcing obedience to the Sherman antitrust law, but we are endeavoring to deal with a situation entirely outside of that law.

Mr. WHITE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Alabama?

Mr. WALSH. If the Senator from Alabama will pardon me until I finish this thought, I shall then be glad to yield to him.

Mr. President, I think the Senator from Tennessee [Mr. SHIELDS] will certainly agree with me that if we should reenact section 2 of the Sherman antitrust law, but put another penalty there, if we should provide, for instance, a fine not exceeding $1,000 or imprisonment for not exceeding six months, to that extent the later law would be a repeal of the former law. The former law provides for a fine not to exceed $5,000 and imprisonment not to exceed one year. We could reenact the substance of the law, but provide a different penalty. Undoubtedly the later law would repeal, to that extent, the former law.

Here, Mr. President, we practically repeat the provisions of the Sherman antitrust law, so far as the creation of a monopoly by the acquisition of the stock of one corporation by another corporation is concerned, and we provide another way for bringing to bar those who shall violate its provisions. It becomes a most serious question as to whether Congress intends that as a cumulative remedy, as an additional method of securing the observance of the provisions of the antitrust law, or whether it is believed that the present provisions are too harsh and they ought to be relieved by substituting this present method of enforcement.

I sincerely trust that that impression shall not get abroad, and I do feel as if there can scarcely be a doubt that that will be the construction that will be given to this provision if we allow this language to stand in the bill, for which, I daresay, no one here upon this floor can give any reason.

Now, Mr. President, I should be very glad to answer the Senator from Alabama.

Mr. WHITE. Mr. President, there seems to be some conflict of opinion between Senators—and between Senators, too, who are lawyers—on the subject as to whether or not the amendment of the Senator from Montana will impinge upon the Sherman antitrust law. That being so, would not the failure to adopt the Senator's amendment have the effect of holding both statutes in abeyance until the courts have passed upon the question?

Mr. WALSH. Mr. President, I do not understand that it is contended on the part of anybody that the amendment offered by myself impinges upon the Sherman antitrust law. It is agreed, I think, by all, and I think certainly by the Senator from Tennessee, that to eliminate this language will leave the Sherman antitrust law, so far as the organization of monopolies is concerned, in its full force and vigor.

It has been suggested by the Senator from Tennessee, however, as I understand the matter, that it will remain in its full force and vigor and that we provide an additional and a cumulative remedy for enforcing the observance of its terms.

Mr. WHITE. Does the Senator from Montana deny that?

Mr. WALSH. I think that the effect would be to make this the only remedy. That is my opinion about it.

Mr. WHITE. That is contrary to the views of the Senator from Tennessee.

Mr. WALSH. Yes.

Mr. WHITE. The thought I am trying to convey to the Senator from Montana is that with that conflict of opinion as to the effect of the two statutes, if the Senator's amendment is not adopted, will it not probably have the effect of holding both statutes in abeyance until the courts can pass upon the matter?

Mr. WALSH. Mr. President, of course the question will undoubtedly be raised, but I am not able to say whether proceedings will be arrested or not. I desire, however, to call attention to one further thought in this connection.

It may be remarked that the bill as it originally came from the other House took particular pains that no such evil as I now point out would be likely to occur or could now occur, because there was a penal provision attached as to anyone who should undertake to create a monopoly in this way, through the acquisition of the stock of one corporation by another corporation. They took particular pains to provide exactly the same penalty for the organization of a monopoly in that way as they provided for the organization of a monopoly under the original Sherman Act; in other words, the penal clause provided that the offenders should be subject to a fine of not more than $5,000 or imprisonment for not more than one year; and the present bill contains exactly the same penalty. But now, Mr. President, we have taken those penalties out, and we have provided for the enforcement of this provision through the trade commission. I ask the Senator from Tennessee if he believes there is a necessity for this cumulative remedy for the prevention of the monopoly denounced by the Sherman Act, and whether he favors a cumulative remedy?

Mr. SHIELDS. I do not favor a cumulative remedy in the form of an injunction issued at the instance of the trade commission. I favor criminal penalties in order to prohibit and prevent these acts of monopoly. I only say that the effect of giving the trade commission control over these matters is cumulative and that the Sherman law remains in full force and effect.

Mr. WALSH. Then, let me inquire of the Senator from Tennessee, assuming that the provisions for the enforcement of these sections by the trade commission shall remain in the bill, does he feel that we ought to provide a cumulative remedy?

Mr. SHIELDS. Mr. President, I do; because the method pointed out by the trade commission bill to suppress monopolies, with all the uncertainties that attend it, to me seems absolutely insufficient for that purpose. As I have just said, I believe in criminal penalties to suppress monopoly.

Mr. REED. Mr. President, will the Senator from Tennessee yield to me, in order that I may ask him a question?

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Missouri?

Mr. SHIELDS. I yield for a question.

Mr. REED. I want to ask the Senator from Tennessee a question, which I think I may ask with some grace, in view of the fact that I stood with the Senator in trying to keep in the criminal provision. So long as the criminal provision was in this section, that criminal provision was identical with the criminal provision which is attached to the Sherman Act. Then if we repeated the language of the Sherman Act here, the repetition made no difference, because there was the same penalty. Now that that penalty has been taken out and the enforcement of this section has been put into the hands of the trade commission, does not the Senator fear that unless we make it plain it may be held that we have taken that particular thing out of the Sherman Act by this new and later section and transferred it over to the trade commission? I am offering that suggestion for the Senator's consideration.

Mr. SHIELDS. I do not, because it is not inconsistent with the Sherman law, and would, as I think, merely provide a cumulative remedy.

Mr. President, I was aware that it was insisted upon the floor when we were considering the trade commission bill that it occupied an entirely new field and had no reference to the Sherman law; that it did not concern restraints of trade or monopolies, but related solely to competition among dealers. I understood that to be the position taken by the advocates of that measure. But the arguments made in behalf of the bill are, unfortunately, not a part of the statute, and the court can not consider them when it comes to construe it. As said in the case of United States against Trans-Missouri Freight Association:

> Debates in Congress are not appropriate sources of information from which to discover the meaning of the language of a statute passed by that body.

The courts will look to the vague, uncertain, and undefined language of the act, and no one can tell what construction will be placed upon it.

That is simply a reiteration of a well-known rule. I know the argument was made, but I do not agree with it.

Mr. CULBERSON. Mr. President, if the language sought to be stricken out is, as is contended, a specification under section 2 of the Sherman law of 1890, I see no objection to it, particularly in view of the dissenting opinion in the Northern Securities case, which this provision may be intended to cover. The Senate does not know, nor does the country know, what may be the final decision upon that question by the Supreme Court. The dominating judicial character in that case was the present Chief Justice of the Supreme Court. His dissenting opinion in that case indicates that he has not changed his views on this question, and we do not know but that there may be a change of attitude by the Supreme Court upon it, as there was on the original general construction of the Sherman antitrust law. So, for that additional reason, I see no objection to reiterating the declaration of the Congress that monopolization of commerce or any part of commerce by this method shall be unlawful and illegal.

I agree with the Senator from Tennessee that the remedy provided in section 9b is merely cumulative of existing remedies. In the report which I happened to write for the committee I at least expressed my opinion when I said, at page 41 of the report:

> All the remedies provided in the bill and amendments are cumulative.

Mr. President, that was said after a full consideration, on my part at any rate, of the bill. In substantiation of that, I call attention to the language of section 9b. So much of it as is pertinent declares:

> SEC. 9b. That authority to enforce compliance with the provisions of sections 8 and 9 of this act—

It originally read sections 2, 4, 8, and 9—

> by the corporations, associations, partnerships, and individuals respectively subject thereto is hereby vested: In the Interstate Commerce Commission where applicable to common carriers and in the Federal Trade Commission where applicable to all other character of commerce, to be exercised as follows.

Mere authority is thus granted by section 9b of the bill, Mr. President, for the enforcement of the act, not exclusive authority, but authority in addition to the provisions of the Sherman antitrust law and other antitrust laws. For these reasons, hurriedly stated, I agree with the position taken by the Senator from Tennessee in this matter.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Montana.

Mr. WALSH. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. GORE (when his name was called). I am paired with the junior Senator from Wisconsin [Mr. STEPHENSON], and in his absence withhold my vote.

Mr. MYERS (when his name was called). I inquire if the Senator from Connecticut [Mr. MCLEAN] has voted?

The PRESIDING OFFICER. The Chair is informed he has not.

Mr. MYERS. I have a pair with that Senator, and in his absence withhold my vote.

Mr. WILLIAMS (when his name was called). Transferring my pair with the senior Senator from Pennsylvania [Mr. PEN-

ROSE] to the junior Senator from South Carolina [Mr. SMITH], I vote "nay."

The roll call was concluded.

Mr. THOMAS. I transfer my pair with the senior Senator from New York [Mr. ROOT] to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "nay."

Mr. FLETCHER. Making the same announcement as to my pair and its transfer as on the previous roll call, I vote "nay."

Mr. BRISTOW. I transfer my pair with the Senator from Georgia [Mr. WEST] to the junior Senator from California [Mr. WORKS] and vote "yea."

Mr. LEWIS. I desire to announce the unavoidable absence of the Senator from Tennessee [Mr. LEA]. He is paired with the Senator from South Dakota [Mr. CRAWFORD]. I ask that this announcement may stand for the day.

Mr. GORE. I transfer my pair with the junior Senator from Wisconsin [Mr. STEPHENSON] to the junior Senator from Nevada [Mr. PITTMAN] and vote "nay."

The result was announced—yeas 14, nays 38, as follows:

YEAS—14.

Ashurst	Cummins	Perkins	Walsh
Bristow	James	Pomerene	White
Chamberlain	Jones	Reed	
Clapp	Lee, Md.	Shively	

NAYS—38.

Bankhead	Lane	Overman	Sterling
Bryan	Lewis	Poindexter	Swanson
Burton	Lippitt	Ransdell	Thomas
Chilton	McCumber	Shafroth	Thompson
Culberson	Martin, Va.	Sheppard	Thornton
Fletcher	Martine, N. J.	Shields	Vardaman
Gallinger	Nelson	Simmons	Weeks
Gore	Norris	Smith, Md.	Williams
Hughes	O'Gorman	Smith, Mich.	
Kern	Oliver	Smoot	

NOT VOTING—44.

Borah	du Pont	McLean	Smith, Ariz.
Brady	Fall	Myers	Smith, Ga.
Brandegee	Goff	Newlands	Smith, S. C.
Burleigh	Gronna	Owen	Stephenson
Camden	Hitchcock	Page	Stone
Catron	Hollis	Penrose	Sutherland
Clark, Wyo.	Johnson	Pittman	Tillman
Clarke, Ark.	Kenyon	Robinson	Townsend
Colt	La Follette	Root	Warren
Crawford	Lea, Tenn.	Saulsbury	West
Dillingham	Lodge	Sherman	Works

So Mr. WALSH's amendment was rejected.

Mr. WALSH. I move to strike from the bill, in section 8, all of paragraph 2 after the word "commerce," in line 14, so that if amended the paragraph will read:

No corporation shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of two or more corporations engaged in commerce.

The amendment simply brings up the question whether or not we are going to authorize or denounce holding corporations. I do not know of any place in the industrial world for a holding corpration.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Montana.

Mr. NELSON. I ask that the amendment be stated by the Secretary.

The PRESIDING OFFICER. The Secretary will state the amendment.

The SECRETARY. In section 8, page 8, line 23, after the word "commerce," it is proposed to strike out:

Where the effect of such acquisition, or the use of such stock by the voting or granting of proxies or otherwise, is to eliminate or substantially lessen competition between such corporations, or any of them, whose stock or other share capital is so acquired, or to create a monopoly of any line of commerce.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Montana.

Mr. NORRIS. I ask for the yeas and nays on that amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. FLETCHER (when his name was called). I transfer my pair as before and vote "nay."

Mr. GORE (when his name was called). I again announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON], and withhold my vote.

Mr. HOLLIS (when his name was called). I announce my pair with the junior Senator from Maine [Mr. BURLEIGH] and withhold my vote.

Mr. THOMAS (when his name was called). I make the same transfer as heretofore, and vote "yea."

Mr. WILLIAMS (when his name was called). Transferring my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the senior Senator from Nevada [Mr. NEWLANDS], I vote "nay."

The roll call was concluded.

Mr. COLT. I have a general pair with the junior Senator from Delaware [Mr. SAULSBURY]. In his absence I withhold my vote.

Mr. GORE. I transfer my pair with the junior Senator from Wisconsin [Mr. STEPHENSON] to the junior Senator from South Carolina [Mr. SMITH] and will vote. I vote "yea."

Mr. JAMES. I transfer the general pair I have with the junior Senator from Massachusetts [Mr. WEEKS] to the senior Senator from Indiana [Mr. SHIVELY] and will vote. I vote "yea."

Mr. MYERS. I again announce my pair with the junior Senator from Connecticut [Mr. McLEAN]. As he is not present, I withhold my vote.

The PRESIDING OFFICER. On the amendment offered by the Senator from Montana, the yeas are 20 and the nays are 26. No quorum has voted.

Mr. HOLLIS. Under the terms of my pair I have the right to vote to make a quorum. I vote "yea."

The PRESIDING OFFICER. Still a quorum has not voted.

Mr. GALLINGER. Let the roll be called.

Mr. REED. I submit that the result has been announced, and that there is no quorum.

The PRESIDING OFFICER. The yeas are 21, and the nays are 27. Senators COLT and MYERS having announced their pairs and not voting, there is a quorum present, and the amendment of the Senator from Montana is rejected.

The vote by yeas and nays, the result of which was announced by the Presiding Officer, is as follows:

YEAS—21.

Ashurst	Jones	Pittman	Thompson
Bristow	Lane	Poindexter	Vardaman
Clapp	Lee, Md.	Pomerene	Walsh
Gore	Lewis	Reed	
Hollis	Martine, N. J.	Shields	
James	Norris	Thomas	

NAYS—27

Bryan	Gallinger	Overman	Smoot
Burton	Hughes	Perkins	Sterling
Chamberlain	Lippitt	Ransdell	Swanson
Chilton	McCumber	Shafroth	Thornton
Culberson	Martin, Va.	Sheppard	White
Cummins	Nelson	Simmons	Williams
Fletcher	Oliver	Smith, Mich.	

NOT VOTING—48.

Bankhead	du Pont	Myers	Smith, Ga.
Borah	Fall	Newlands	Smith, Md.
Brady	Goff	O'Gorman	Smith, S. C.
Brandegee	Gronna	Owen	Stephenson
Burleigh	Hitchcock	Page	Stone
Camden	Johnson	Penrose	Sutherland
Catron	Kenyon	Robinson	Tillman
Clark, Wyo.	Kern	Root	Townsend
Clarke, Ark.	La Follette	Saulsbury	Warren
Colt	Lea, Tenn.	Sherman	Weeks
Crawford	Lodge	Shively	West
Dillingham	McLean	Smith, Ariz.	Works

So Mr. WALSH's amendment was rejected.

Mr. WALSH. Mr. President, to make paragraph 2 comport with paragraph 1, I move to strike out the words "eliminate or," appearing in line 16, page 9, so that that likewise shall read:

Where the effect * * * is to substantially lessen competition.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 8, line 25, at the end of the line, it is proposed to strike out the words "eliminate or."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Montana. [Putting the question.] By the sound the ayes seem to have it.

Mr. NELSON. I call for a division.

Mr. GALLINGER. I will ask for the yeas and nays. A division will be fruitless.

Mr. WALSH. Without calling for the yeas and nays, then, I move, and simply desire a vote, to strike out the words "or to create a monopoly of any line of commerce" appearing in lines 19 and 20, on page 9.

The PRESIDING OFFICER. The Chair will state to the Senator from Montana that the other matter has not been disposed of. There was a demand for the yeas and nays, and the Chair thinks enough Senators seconded the motion to entitle the Senator to it. The Secretary will call the roll.

Mr. REED. Mr. President, before the roll is called, I hope the Senate will understand this amendment. We have taken those words out of the preceding section. This simply makes the language of the second section conform to the language used in the first section.

The second section applies to holding companies alone. I do not know why the Senate wants to preserve a holding company, and certainly I do not know why the language should be any broader with reference to a holding company than it is with reference to an ordinary corporation holding the stock of another company.

We are voting here to-day with a few Senators listening to the debate, with a large number of Senators in the cloak room and in the restaurant or elsewhere, who come in and vote without knowledge as to what is before the Senate. I do not wish to criticize about that. It is not my amendment. It is the amendment of the Senator from Montana. It simply makes the language conform to the amendment which has already been accepted as to section 1. I do not know why it should not come out of this section, as it was taken out of section 1.

Mr. NELSON. Mr. President, I am somewhat confused. Two amendments are offered by the Senator from Montana. On his first amendment there was a viva voce vote, and I called for a division, and afterwards a yea-and-nay vote was called for, and pending that, he has offered another amendment.

The PRESIDING OFFICER. The Chair will state to the Senator that the second amendment is not in order at this time.

Mr. NELSON. We are voting on the first amendment then?

The PRESIDING OFFICER. Yes.

Mr. NELSON. I should like to have the first amendment stated.

The PRESIDING OFFICER. The Secretary will state the pending amendment.

The SECRETARY. On page 8, line 25, it is proposed to strike out the words "eliminate or."

The PRESIDING OFFICER. The Chair will state to the Senator that that is the pending amendment. On that the yeas and nays have been called for and ordered, and the Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "yea."

Mr. FLETCHER (when his name was called). I announce my pair and its transfer as before and vote "yea."

Mr. HOLLIS (when his name was called). I announce my pair as before and withhold my vote.

Mr. THOMAS (when his name was called). I make the same transfer of my pair as before and vote "yea."

Mr. WILLIAMS (when his name was called). I have a general pair with the senior Senator from Pennsylvania [Mr. PENROSE]. I transfer that pair to the senior Senator from Nevada [Mr. NEWLANDS] and will vote. I vote "yea."

The roll call was concluded.

Mr. HOLLIS. I desire to announce that the senior Senator from Maine [Mr. JOHNSON] is necessarily absent from the city and is paired with the junior Senator from North Dakota [Mr. GRONNA].

Mr. TOWNSEND (after having voted in the negative). I transfer my pair with the junior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from Illinois [Mr. SHERMAN] and will allow my vote to stand.

Mr. BRISTOW (after having voted in the affirmative). I transfer my pair with the junior Senator from Georgia [Mr. WEST] to the junior Senator from California [Mr. WORKS] and will allow my vote to stand. I ask that this announcement may apply to all other votes I may cast to-day.

Mr. JAMES. I have a general pair with the junior Senator from Massachusetts [Mr. WEEKS], which I transfer to the junior Senator from Mississippi [Mr. VARDAMAN], and will vote. I vote "yea."

The result was announced—yeas 41, nays 11, as follows:

YEAS—41.

Ashurst	Hughes	Pittman	Smoot
Bankhead	James	Poindexter	Swanson
Bristow	Jones	Pomerene	Thomas
Bryan	Kern	Ransdell	Thompson
Chamberlain	Lane	Reed	Thornton
Chilton	Lee, Md.	Shafroth	Walsh
Clapp	Martin, Va.	Sheppard	White
Culberson	Martine, N. J.	Shields	Williams
Cummins	Myers	Shively	
Fletcher	Norris	Simmons	
Gallinger	Overman	Smith, Md.	

NAYS—11.

Burton	Lippitt	Nelson	Sterling
Dillingham	McCumber	Perkins	Townsend
Fall	McLean	Smith, Mich.	

NOT VOTING—44.

Borah	Clarke, Ark.	Hitchcock	Lodge
Brady	Colt	Hollis	Newlands
Brandegee	Crawford	Johnson	O'Gorman
Burleigh	du Pont	Kenyon	Oliver
Camden	Goff	La Follette	Owen
Catron	Gore	Lea, Tenn.	Page
Clark, Wyo.	Gronna	Lewis	Penrose
Robinson	Smith, Ariz.	Stone	Warren
Root	Smith, Ga.	Sutherland	Weeks
Saulsbury	Smith, S. C.	Tillman	West
Sherman	Stephenson	Vardaman	Works

So Mr. WALSH's amendment was agreed to.

Mr. WALSH. I repeat the motion I made a few moments ago, to strike out the following, being the concluding portion of paragraph 2 of section 9, beginning in the reprint on page 9, lines 19 and 20:

Or to create a monopoly of any line of commerce.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 9, line 3, it is proposed to strike out the words "or to create a monopoly of any line of commerce."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana. [Putting the question.] By the sound the "ayes" seem to have it.

Mr. CULBERSON. I call for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CULBERSON (when his name called). Again announcing my pair and its transfer, I vote "nay."

Mr. FLETCHER (when his name was called). Announcing my pair and its transfer as before, I vote "nay."

Mr. HOLLIS (when his name was called). I announce my pair as before and withhold my vote.

Mr. THOMAS (when his name was called). I make the same transfer of my pair as heretofore announced and will vote. I vote "nay."

Mr. WILLIAMS (when his name was called). Repeating the announcement which I made upon the last roll call as to my pair and its transfer, I vote "yea."

The roll call was concluded.

Mr. JAMES. I transfer my pair with the junior Senator from Massachusetts [Mr. WEEKS] to the junior Senator from South Carolina [Mr. SMITH] and will vote. I vote "yea."

Mr. GORE. I again announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON] and ask to be counted as present.

Mr. TOWNSEND. I desire to transfer my pair with the junior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from Illinois [Mr. SHERMAN] and will vote. I vote "yea."

The result was announced—yeas 18, nays 37, as follows:

YEAS—18.

Ashurst	Dillingham	Pittman	Walsh
Bristow	James	Pomerene	White
Chamberlain	Jones	Reed	Williams
Clapp	Lee, Md.	Townsend	
Cummins	Martine, N. J.	Vardaman	

NAYS—37.

Bankhead	Kern	Overman	Smith, Mich.
Brady	Lane	Perkins	Smoot
Bryan	Lippitt	Poindexter	Sterling
Burton	McCumber	Ransdell	Swanson
Chilton	McLean	Shafroth	Thomas
Culberson	Martin, Va.	Sheppard	Thompson
Fall	Myers	Shields	Thornton
Fletcher	Nelson	Shively	
Gallinger	Norris	Simmons	
Hughes	O'Gorman	Smith, Md.	

NOT VOTING—41.

Borah	Gore	Oliver	Stephenson
Brandegee	Gronna	Owen	Stone
Burleigh	Hitchcock	Page	Sutherland
Camden	Hollis	Penrose	Tillman
Catron	Johnson	Robinson	Warren
Clark, Wyo.	Kenyon	Root	Weeks
Clarke, Ark.	La Follette	Saulsbury	West
Colt	Lea, Tenn.	Sherman	Works
Crawford	Lewis	Smith, Ariz.	
du Pont	Lodge	Smith, Ga.	
Goff	Newlands	Smith, S. C.	

So Mr. WALSH's amendment was rejected.

Mr. REED. I move, in line 8, section 8, page 9, to strike out the word "is" and in lieu thereof to insert the words "may be."

My reason for that is found in these words in the brief of the Government——

Mr. GALLINGER. Let the amendment be stated, Mr. President.

The PRESIDING OFFICER. The Chair will ask the Senator from Missouri to permit the Secretary to state the amendment for the information of the Senate.

Mr. REED. Very well.

The SECRETARY. On page 9, line 2, after the word "capital," it is proposed to strike out the word "is" and to insert the words "may be," so that if amended it will read:

Or other share capital may be so acquired.

Mr. REED. Mr. President——

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Ohio?

Mr. REED. I do.

Mr. POMERENE. I will ask what print the Senator has.

Mr. REED. I have the print of July 22.

The PRESIDING OFFICER. That is the original print.

Mr. POMERENE. It does not read that way in my copy, and it will lead to confusion in the RECORD.

Mr. REED. I refer to line 8, section 8, page 9. The first word in the line is "is."

The PRESIDING OFFICER. What print has the Senator?

Mr. REED. The print of July 22.

Mr. OVERMAN. In the new print it is on page 9, line 8, section 8.

Mr. REED. I do not care which print we are applying it to so that we get the amendment I desire.

Mr. GALLINGER. The same language is on page 8, line 18. Probably the Senator would move it in both cases.

The PRESIDING OFFICER. The Chair will state to the Senator that, to avoid confusion, the clerks at the desk have all the time been using the original print as reported by the committee.

Mr. REED. Very well. In view of that, I refer now to the original print. My amendment is to strike out the word "is," in line 17 on page 8, and to insert in lieu of the word "is" the words "may be," so that the paragraph, if amended, will read:

That no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of any corporation engaged in commerce where the effect of such acquisition may be to eliminate or substantially lessen—

As it reads now—

to substantially lessen competition.

My reason for offering the amendment is this: The law, as I understand it, is that a combination is illegal where the effect may be as well as where it is. I understand that the chairman of the committee is prepared to accept the amendment.

Mr. CULBERSON. There is no objection to the amendment proposed by the Senator from Missouri.

The PRESIDING OFFICER. If there is no objection, the amendment will be agreed to. The Chair hears none.

Mr. REED. Now, in the second paragraph, in order to make it conform, I move to make the same change in line 25 of the old print, page 8.

Mr. CULBERSON. It is line 16, page 9, of the new print.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 8, line 25, strike out the word "is" and insert the words "may be."

Mr. CULBERSON. There is no objection to that amendment.

The PRESIDING OFFICER. The Chair hears no objection, and the amendment is agreed to.

Mr. WHITE. Mr. President——

Mr. SHIELDS. I should like to ask the Senator from Alabama if he is going to offer an amendment to section 8?

Mr. WHITE. No; I am not.

Mr. SHIELDS. I have one to offer to section 8.

Mr. WHITE. I will yield to the Senator from Tennessee.

Mr. SHIELDS. The second paragraph of section 8 prohibits holding companies, and is placed in the bill for that express purpose, as I understand it. The language of it as now amended is as follows:

No corporation shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of two or more corporations engaged in commerce where the effect of such acquisition, or the use of such stock by the voting or granting of proxies or otherwise, may be to substantially lessen competition between such corporations, or any of them, whose stock or other share capital is so acquired, or to create a monopoly of any line of commerce.

Mr. President, this section being for the express purpose of prohibiting holding companies, I think it ought to do so absolutely. As it now reads it only prohibits them when such holding substantially lessens competition. I therefore move to strike out the word "substantially," on page 8, line 25, and page 9, line 1, so as to absolutely prohibit holding companies where the acquisition of such stock, to use the language of the bill, may be to lessen competition.

The PRESIDING OFFICER. The amendment proposed by the Senator from Tennessee will be stated.

The SECRETARY. In section 8, second paragraph, bottom of page 8, line 25, and top of page 9, line 1, strike out the word "substantially," so that if amended it will read:

Or the use of such stock by the voting or granting of proxies or otherwise may be to lessen competition.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment was agreed to.

Mr. WHITE. Mr. President, I have an amendment to section 9 of the original print. It is section 10 of the new print of the bill. I will read from the old print on page 12.

Mr. SHIELDS. I had not concluded with section 8, if the Senator from Alabama will bear with me.

Mr. WHITE. Certainly. I beg the Senator's pardon.

Mr. SHIELDS. I move an amendment of the same kind as to the first paragraph of section 8, in line 15; that is, to strike out the word "substantially."

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. In the first paragraph of section 8, page 8, line 17, strike out the word "substantially."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment was agreed to.

Mr. POINDEXTER. I offer a substitute for section 8.

The PRESIDING OFFICER. The Secretary will read the amendment proposed by the Senator from Washington.

The SECRETARY. As a substitute for section 8 insert:

SEC. 8. That no corporation engaged in commerce shall own, hold, or acquire, directly or indirectly, the whole or any part of the shares of capital stock of a competing corporation engaged also in commerce.

No corporation shall own, hold, or acquire, directly or indirectly, the whole or any part of the capital stock of two or more corporations engaged in commerce in competition with each other.

A violation of any of the provisions of this section shall be deemed a misdemeanor, and shall be punishable by a fine of not exceeding $5,000 or by imprisonment not exceeding one year, or by both, in the discretion of the court.

Mr. OVERMAN. Mr. President, I rise to a point of order. I will ask the Senator from Washington if this very amendment has not been voted down twice?

Mr. POINDEXTER. It has not been. It has not been offered.

Mr. OVERMAN. I know, but the amendment is in the exact terms of amendments offered by the Senator from Montana [Mr. WALSH] and the Senator from Missouri [Mr. REED]. It has been voted down.

Mr. POINDEXTER. The Senator is mistaken. This amendment has not been offered by anyone.

Mr. OVERMAN. Not the amendment itself, but the exact words of the amendment were voted down.

Mr. POINDEXTER. The Senator is mistaken about that. No one has offered it. Some portions of it have been offered at different times. For instance, the committee amendment proposed to strike out the penal provisions of the section.

Mr. OVERMAN. That has been voted down.

Mr. POINDEXTER. Furthermore there are various other differences between this amendment and the several portions of it which have been offered at other times. It has not been offered and it has not been voted upon.

Mr. OVERMAN. I know it has not been offered, but the amendment offered by the Senator from Missouri was in almost the exact language in the first paragraph. The second paragraph in regard to the penalty has been voted upon twice and voted down.

Mr. POINDEXTER. I am very glad indeed to have the views of the Senator from North Carolina upon it.

Mr. OVERMAN. I stand corrected if the Senator thinks they are not the same. I think they are.

Mr. POINDEXTER. I call the attention of the Senator to the difference. The amendment of the Senator from Missouri proposed to prohibit the ownership of stock in a corporation engaged in similar business. The amendment which I propose does not contain that language at all. It prohibits the ownership of stock in a competing corporation. It does not go as far in that respect as the amendment of the Senator from Missouri. To illustrate the substantial difference between the two——

Mr. OVERMAN. I see the difference, but they are practically the same.

Mr. POINDEXTER. To illustrate the substantial character of that difference, take a railroad company. The amendment of the Senator from Missouri would prohibit a railroad company from acquiring the stock in a connecting line or an extension. The amendment which I propose would only prohibit it from acquiring stock in a parallel line or competing line. The amendment makes definite and certain the prohibited act. It leaves out the indefinite and uncertain measure of what constitutes a substantial lessening of competition and prohibits in plain and definite terms the acquisition of stock by one company in a competing corporation or by one company in the stock of two competing corporations. When the act is made definite and certain as proposed by this amendment it would be easy to enforce it by a penal provision.

I am inclined to agree with the amendment proposed by the committee to the original bill striking out the penal clause because the act prohibited there was so involved and so uncer-

tain as to be practically incapable of being enforced by the conviction of anyone for crime for its violation.

I am not going to detain the Senate in arguing the amendment; the principles involved in it have been discussed in connection with various other amendments which have been offered; but it is a well-recognized fact that the absorption of the stock by a competing corporation is one of the most injurious agencies by which monopoly has been established in this country. If we are going to condemn that act, we ought to condemn it and not leave it open to evasion and to absolute defiance on the part of those who wish to establish monopoly by setting up a vague and uncertain measure as to whether it is a substantial lessening of competition.

If we are not going to prohibit the ownership of stock in a corporation by another corporation altogether, I do not see any better rule that can be adopted than to adopt the rule of prohibiting ownership of stock in a competing corporation, because the principal evil at which this bill strikes is to prevent monopoly and to maintain competition.

I wish to call attention to the principle which has guided the courts and, I suppose, upon which the rule of the common law was based. The rule itself has been spoken of here, which prohibits ownership of stock in a corporation by another corporation. The reason for this rule is this very thing, which I have just spoken of, that such corporate stock ownership is an easy and effective agency of monopoly.

On page 607, in a portion of section 4056 of volume 4 of Thompson on Corporations, it is said:

> The law recognizes the acquisition by a corporation of stock in another corporation as tending to create monopolies, and therefore condemns it as unlawful, or, at least, requires courts to act with great caution and not to hold that the power was rightfully exercised in any given case, unless it clearly appears to have been an innocent and fair exercise of the corporate power.

In section 4067 of the same work the principle underlying this rule is further discussed, as follows:

> Whether or not the courts will concede the validity of the purchase or acquisition by one corporation of the stock of another may depend to some extent on the purpose of such acquisition. If the acquired stock is that of a competing corporation, and the evident purpose is to gain control of such corporation, then the courts will look upon the transaction with no degree of tolerance. In an action to enjoin one railroad company from purchasing the stock and property of an insolvent railroad company, and thereby obtaining control, and with a view of uniting the property, business, and management with that of the purchasing company, the court said that the transaction must be regarded as an agreement to buy stock and bonds and unsecured debts of an insolvent corporation, and that, irrespective of the assumed ulterior objects in the purchase, it was not even suggested that it was legitimate. The court also took notice that the railroad whose stock was purchased was a narrow-gauge road, and that the rolling stock could not be adapted to a use of the purchasing corporation.

That brings to my mind another evil which the adoption of this amendment, which I think is necessary to render the section effective at all, would prevent, and that is not simply the prevention of monopolies, but it is to prevent wrong and injury to the minority stockholders of the corporation whose stock is acquired by the dominant corporation. A great many corporations have been purchased by other corporations for the sole purpose of absolutely destroying the value of them and of their property and franchises and stock. I have in mind one case, the Rock Island Railroad, acquired by the Harriman interests, because they owned a competing line; they loaded it with debt, although acquired at a time when its stock was above par in the market. It was one of the most valuable railroad properties in the United States, stock whose par value was $100 a share, and which had been selling at $150 a share.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Colorado?

Mr. POINDEXTER. In a moment.

Mr. THOMAS. The Senator said the interest thus acquired was the Rock Island. I ask him if he did not mean the Alton?

Mr. POINDEXTER. No; I mean the Rock Island. The Alton is another case. There are so many cases that it is difficult to select the most prominent or pertinent of them.

In the case of the Rock Island what did they do with this property whose stock was worth $150 a share? They loaded it with debt and when they had accomplished their purpose turned it over to their successors without money enough to buy the necessary equipment for the road, and the consequence is that that stock is now selling for less than a dollar a share in the market. The stock value of that corporation, which was subject to the devouring influence of a great competing corporation which was allowed under the law to acquire it, was absolutely destroyed.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Missouri?

Mr. POINDEXTER. I yield.

Mr. REED. I ask the Senator if that was not worked out through the device of a holding company or several holding companies?

Mr. POINDEXTER. Other devices and agencies also entered into it.

Mr. REED. Mr. President, the evils to the stockholders which the Senator has just mentioned might all be present and yet the act not come within the purview of the amendment as he has it prepared. I wanted to ask him if he does not think in view of his last argument he ought to strike out on line 7 of his amendment the words "in competition with each other," so that the clause would prohibit the holding by one company of the stock in two or more companies, regardless of whether those companies were in competition with each other or not.

Mr. POINDEXTER. I think the idea which the Senator has in mind is that while they might not be in competition with each other, one of them might be in competition with the acquiring company. Is that the idea?

Mr. REED. My idea is that if these evils are worked to the stockholders through one company having acquired the stock of other companies and then they proceed to wreck the company, unless we prohibit the holding company altogether that evil can go on. The Senator's amendment does not prohibit the holding company altogether; it simply prohibits the holding company in case the companies acquired are competitive. I want to go further than the Senator and stop the holding-company business altogether.

Mr. POINDEXTER. The Senator is rather involving two separate propositions in his suggestion. In the first place, I want to say that I am willing to go as far as the Senator proposes. In fact, I think the Senator offered an amendment to that effect a moment ago, and I voted for it; but the Senate voted it down; and not being able to go so far, on account of the action of the Senate, I propose to go as far as we can, or at least to submit to the Senate a proposition which would go further than the bill as it is now framed, although it does not go as far as the Senator proposes. So much for that.

Furthermore, as to the evil which the Senator suggests, I would say that if you remove the motive and the interest which comes from the competition of the acquiring company, or of two companies whose stock is acquired, you will probably prevent the evil which the Senator speaks of. It is not very likely that a company which has no interest, no motive in the business of some company whose stock it would acquire, would seek to destroy its business.

Mr. REED. If the Senator will pardon me, on the contrary, these holding companies have been the common device employed by scoundrels, not always for the purpose of putting together competing companies, but for the purpose of stock jobbery and stock speculation. They take a company like the Rock Island, with its stock up to $150, and they put another railroad or two in with it that may or may not be competing. All that stock is put into a holding company. Then the holding company proceeds to issue stocks and bonds of its own and sells those stocks and bonds upon the theory that they have a great earning capacity through the stock holdings which they own in a proprietary way. Then, as in the case of the Rock Island, they sometimes organize a holding company for the holding company. Thus they pyramid this monstrous scheme until it breaks with its own weight. The primary object is not the lessening of competition; it is stock jobbing and public robbery. And yet we can not get here in the Senate a vote to wipe out the holding company.

Mr. POINDEXTER. Mr. President, this section, however it may be framed—even though it go to the extent the Senator from Missouri had proposed and for which I voted with him—we could not hope would remedy all the evils that he speaks of. The only effect it would have would be to deprive monopoly of one of its instruments. We can not hope that we are going to wipe out monopoly by the adoption of the section, even though it should be in the most perfect form.

There is a great deal of truth in what the Senator from Colorado [Mr. THOMAS] remarked awhile ago, that we are dealing here with only one of the symptoms of monopoly. I would hardly call it the symptom, but we are dealing with one of the instruments of monopoly and, nevertheless, it is one of the most effective instruments of monopoly. There are many ways, even though this section should be adopted in the widest scope, in which competitive companies can be united. They are obvious to everyone. They can be united by the holding of stock of competing corporations by an individual, as is very frequently

the case. They can be united through interlocking directorates. They can be united through the ownership of stock in both of them by the stockholders of both of them and joint action in the election of a governing board. But the law has recognized—not only the common law but the legislatures of many of our States—and the courts have given the reason for the rule in construing the action of corporations which they hold to be in conflict with it—that the extension of the powers granted to this artificial being, which are much greater than those of any natural person, through an infinite multiplication of artificial beings operating under one head in different local jurisdictions, affords one of the most effective instruments of establishing monopoly; and we would be doing a good piece of legislation, although we can not prevent the evil altogether in any one piece of legislation, if we deprive them by this section of that one agency.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER (Mr. HOLLIS in the chair). Does the Senator from Washington yield to the Senator from Nevada?

Mr. POINDEXTER. I yield.

Mr. PITTMAN. Does the Senator intend by his substitute to wipe out the exceptions provided in the original bill, for instance, the exceptions allowing the establishment of subsidiary or branch corporations to do business?

Mr. POINDEXTER. No; it does not prevent the acquisition of branch corporations.

Mr. PITTMAN. In section 8 of the bill as it now stands there is a provision permitting the organization of subsidiary and branch corporations and for the purchase of stocks solely for investment. If the Senator's amendment was substituted for the text of section 8 there would be no exemption of that kind.

Mr. POINDEXTER. Yes; there would be, Mr. President. The fact of the case is that the section itself is an exception, or would be an exception, to the general rule. The general rule would remain as it is now so far as the laws of the United States as a separate jurisdiction are concerned that one corporation could acquire and own the stock in another corporation. The exception would be that they could not do so if the thing acquired was that of a competing corporation.

Mr. PITTMAN. Would not such branch corporation appear to be a competing corporation and subject the main corporation to prosecution under your amendment?

Mr. POINDEXTER. That is a good deal like some of the legal arguments I have heard in these cases. If it were a parallel competing line, the acquisition of its stock certainly would be prohibited, and that is the evil which we are seeking to prevent. If it were a mere extension or branch line, it would not be affected by this amendment.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Nebraska?

Mr. POINDEXTER. I yield.

Mr. NORRIS. I wish to make an inquiry of the Senator. I wish, indeed, to make two inquiries. One is with reference to the suggestion made by the Senator from Missouri [Mr. REED], and the other is with reference to the suggestion made by the Senator from Nevada [Mr. PITTMAN]. I hope the Senator from Washington will take them both into consideration before he asks us to vote on his amendment. I should like to call his attention to page 9 in the bill, the provision commencing with line 5, which says:

> This section shall not apply to corporations purchasing such stock solely for investment.

Has the Senator that provision?

Mr. POINDEXTER. I have; that is, I see it in the bill.

Mr. NORRIS. If the Senator's amendment were adopted, that provision of the bill would be stricken out.

Mr. POINDEXTER. Certainly.

Mr. NORRIS. Because it is a part of section 8.

Mr. POINDEXTER. That is true.

Mr. NORRIS. Take, for instance, a university. Such institutions often invest their surplus in the stock of corporations, and that ought to be encouraged. They themselves are corporations, but they invest it for investment purposes. If the amendment were adopted without any change, that would be prohibited, I understand.

Mr. POINDEXTER. Not at all. I beg the Senator's pardon. I appreciate the pertinency of the Senator's suggestion. It was argued a few days ago when I gave notice of this amendment, and the same proposition was suggested by the Senator from Iowa [Mr. CUMMINS] in an amendment of which he gave notice, and by the Senator from New Hampshire, who made some inquiry in regard to it.

The amendment which I have offered would not prevent a college or a savings bank from investing its funds in the stock of corporations; the general rule would remain as it now is; just as I said a moment ago in regard to the broader question, that they could invest in the stock of corporations with the exception that they could not invest in the stock of a competing corporation or in the stock of two corporations competing with each other. There is only that exception, and I think there ought to be that exception for two reasons: In the first place, if it is an evil it ought to be prohibited under all circumstances; and, in the second place, from the standpoint of the investor, there is an ample field for investment without invading the principle which prompts the amendment.

Mr. NORRIS. Mr. President, if the Senator will permit me, I am in entire sympathy with what he wishes to accomplish. I am opposed to the holding company as it is ordinarily used, and I should like to prohibit it; but the Senator himself will see that his amendment, if adopted, would prohibit a college or a savings bank from investing in the stock of competing companies. Suppose a university or a college invested some of its funds in the stock of some railroad company; that they had some more funds and wanted to invest them; that they liked that kind of an investment, for it had been profitable; they would be prohibited from investing in any railroad company which competed with the first. It might be difficult to determine whether the other company in which they were thinking about investing was, in fact, in competition with the first one; and yet they would have to determine that at the peril of being fined under a criminal statute.

It seems to me the object which the Senator wishes to reach would be accomplished if he would make that exception, and then strike out, as suggested by the Senator from Missouri [Mr. REED], in his amendment, in lines 7 and 8, the words "in competition with each other"; that is, where a corporation is a holding company it should not be permitted to purchase the stock in two or more corporations engaged in commerce. That would remove any doubt. If that change were made, and the exception which I have suggested were put into the proposed law, it seems to me the evil would be eradicated.

Mr. WHITE. Mr. President——

Mr. NORRIS. Just a moment. I am speaking with the permission of the Senator from Washington. Nobody wants to prohibit a savings bank or an individual or an institution investing their funds in the stock of corporations, whether they are competing or not, if they do not use that method for controlling the corporations; in other words, no one would object to a college or a savings bank owning stock in different corporations if it were purely for investment purposes and the institution did not exercise the voting power of the stock of those corporations for the purpose of creating a monopoly.

Mr. WHITE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Alabama?

Mr. POINDEXTER. I do.

Mr. WHITE. I wish to suggest that I do not think Congress has power to regulate or control the kind of corporations spoken of by the Senator from Nebraska [Mr NORRIS]. Such corporations are not included in this proposed act. Under this act only corporations engaged in interstate commerce are affected.

Mr. POINDEXTER. I think that the suggestion of the Senator from Alabama is a very sound one, except where such corporations by purchase of stock or otherwise become connected with interstate commerce.

Mr. REED. Mr. President, the hour of 4 o'clock will soon be here, when the debate will become very circumscribed. To bring this particular matter to a head and to end this phase of the debate—and I know that some of us at least feel like supporting this proposition—I want to ask the Senator from Washington if he would not accept these two amendments to his amendment: In lines 7 and 8 to strike out the words "in competition with each other," and before the penalty clause to insert:

> This section shall not apply to corporations purchasing such stock solely for investment and not using the same by voting or otherwise to control in whole or in part such corporation.

Mr. POINDEXTER. Mr. President, in view of the fact that that proposition has once been voted on by the Senate, and been voted down, I should like to submit to the Senate this somewhat different proposition and get a vote upon it.

Mr. REED. Very well.

Mr. POINDEXTER. I would vote for the proposition that is stated by the Senator from Missouri; I agree with him in it; but I should like to submit the matter in this other form also.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Iowa?

Mr. POINDEXTER. I yield to the Senator from Iowa.

Mr. CUMMINS. The suggestion advanced by the Senator from Alabama [Mr. WHITE] I think was not fully appreciated. I think the Senator from Washington [Mr. POINDEXTER] answered it by assuming that the prohibition extended only to corporations engaged in commerce among the States. I think, however, if the Senator will look at his own amendment he will see that the prohibition extends to every corporation, whether it is engaged in commerce or not. If he will look at the second paragraph of his amendment he will find that it is general.

Mr. POINDEXTER. To which part of the amendment does the Senator from Iowa refer?

Mr. CUMMINS. I refer to this part of the amendment:

> No corporation shall own, hold, or acquire, directly or indirectly, the whole or any part of the capital stock of two or more corporations engaged in commerce in competition with each other.

The prohibition against the holding company extends to all corporations, whether they are engaged in commerce or not.

Mr. POINDEXTER. Yes; but the prohibition is the prohibition of acquiring the stock of a company engaged in commerce.

Mr. CUMMINS. Precisely. Now, while we have a right to regulate corporations that are engaged in commerce, we have no right to regulate corporations that are not engaged in commerce unless those corporations do something that interferes with or restrains trade or commerce. That is true, is it not?

Mr. POINDEXTER. Yes; but when a corporation acquires stock in a corporation engaged in commerce, then it has connected itself with commerce.

Mr. CUMMINS. Well, does the Senator think that the holding of 10 shares of stock in the Pennsylvania Railroad Co. by a savings bank in New York and at the same time the holding of 10 shares of stock of the Baltimore & Ohio Railroad Co. could be so connected with commerce among the States, and could be held to have such an influence on commerce among the States, as to bring it within the constitutional grant of power?

Mr. POINDEXTER. Undoubtedly. I do not care to go at length into an argument upon that proposition, but I would be willing to undertake to defend the proposition that this Government has the power under the commerce clause of the Constitution to make such laws as it sees fit in regard to who shall own or control the stock of corporations engaged in interstate commerce.

Mr. CUMMINS. I am not disputing the general principle; but it has always seemed to me that in order to bring such an instance within the constitutional power there must be some effort to control the two corporations engaged in commerce, or that the effect of the holding must be necessarily or reasonably to control the two corporations which ought to compete with each other. It is for that reason that I have thought all the while that the language suggested by the Senator from Missouri [Mr. REED] just now—which I may say is found in the substitute which I shall offer presently for section 8—is rather necessary in order to make the prohibition clearly and unmistakably constitutional.

Mr. POINDEXTER. Well, Mr. President, I am not sure whether that has been voted upon or not; but I want to submit to the Senate a clear, unqualified proposition of prohibiting the corporate ownership of stock in competing corporations engaged in commerce.

I will add to what I said a moment ago as to the legal phase of it, that Congress can regulate the character of all corporations engaged in commerce; it can specify how they may be formed and what jurisdiction may give them their charters, and may monopolize that jurisdiction itself, in my judgment.

Mr. CUMMINS. That is true, I think, Mr. President; but I ask the Senator from Washington this question: Here are two corporations engaged in commerce and competing with each other. Can Congress say that the Senator from Washington should not hold stock in both companies?

Mr. POINDEXTER. That is quite a different proposition, because the Senator from Washington is not a corporation—at least not the kind of a corporation that we are talking about.

Mr. CUMMINS. But the corporation that you are dealing with here in the second paragraph is a corporation over which Congress has no more control than it has over an individual, because it is not engaged in commerce among the States and is not organized under the laws of the United States.

I ask the further question whether the Senator thinks that Congress could say to one of these corporation, or to both of them, that because one man owned some stock in both these corporations therefore neither of them shall be permitted to engage in trade among the States?

Mr. POINDEXTER. Mr. President, this legislation is aimed at a recognized evil and one which has been denounced by the courts. Like many other criminal laws, if it is desired that it shall be effective at all it is necessary to make it without exception. I will cite an instance. Take the game laws, for example, which prohibit any man from having game in his possession at a certain time. The real evil which it is proposed to prevent is not the having possession of the game, because the game might have been acquired lawfully, but it is because the possession of game renders it difficult to enforce the statute which prohibits the killing of game out of season.

If Congress proposes to prevent the establishment of monopoly by the corporate holding of stock in competing corporations, it is in pursuance of a wise principle of legislation to prohibit it altogether, and not to make an exception and say, "If a small amount is held, we will not prohibit it"; in other words, it comes back to a discussion of the terms of the original bill here as to whether or not we shall qualify the prohibition by inquiring whether the inhibited act results in a substantial lessening of competition.

The very purpose of this amendment is to avoid the uncertainty and the ineffectiveness which comes from that sort of qualification and temporizing and compromising with what has been denounced by the wisest judges of the country as one of the means of perpetuating some of the most offensive monopolistic transactions which have injured the people. I wish to read in that connection a paragraph from the opinion of Mr. Justice Day in the case of the United States *v.* Union Pacific Railroad Co. (226 U. S., p. 86). He says:

> A more effectual form of combination to secure the control of a competing railroad than for one road to acquire a dominating stock interest in the other could hardly be conceived. If it is true, as contended by the Government, that a stock interest sufficient for the purpose was obtained in the Southern Pacific Co., with a view to securing the control of that company and thus destroying or restricting competition with the Union Pacific in interstate trade, the transaction was, in our opinion, within the terms of the statute.

In addition to making the thing prohibited definite and certain the object of this amendment is to restore to the statute the penal clause, because I think it has been demonstrated in nearly all of the trust cases which have been in court, if we are frank with ourselves, that the civil remedies are ineffective and very frequently the burden of the penalty in civil cases falls upon the innocent victims of the transgressors of the law, so there ought to be in this and in other provisions of the antitrust laws provisions by which criminal penalties can be visited upon the individuals who violate them, and in order to attach a penal provision with any sense of justice or logic the statute ought to be made simple and clear.

It will not be difficult for any court to determine whether two companies are competing, but it will be difficult for a court to determine whether they are substantially competing, because what the word "substantially" means will depend upon the individual views of this court or that court or of a jury that may be called to determine the case, and it will be impossible of enforcement.

I ask for a yea-and-nay vote upon the amendment.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Washington, on which he demands the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. HOLLIS (when his name was called). I again announce my pair and withhold my vote.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT], which I transfer to the Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

The roll call was concluded.

Mr. FLETCHER. I announce my pair and its transfer as before and vote "nay."

Mr. JAMES. I transfer my general pair with the junior Senator from Massachusetts [Mr. WEEKS] to the senior Senator from New Jersey [Mr. MARTINE] and will vote. I vote "yea."

Mr. WILLIAMS. I transfer my general pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the senior Senator from Nevada [Mr. NEWLANDS] and vote "nay."

Mr. GORE. I transfer my pair with the junior Senator from Wisconsin [Mr. STEPHENSON] to the junior Senator from South Carolina [Mr. SMITH] and vote "yea."

The result was announced—yeas 16, nays 36, as follows:

YEAS—16.

Ashurst	Gore	Norris	Sheppard
Bristow	James	Poindexter	Thomas
Chamberlain	Jones	Reed	Thompson
Clapp	Lane	Shafroth	Vardaman

NAYS—36.

Bankhead	Gallinger	Nelson	Shively
Bryan	Hughes	O'Gorman	Simmons
Burton	Kern	Oliver	Smith, Md.
Chilton	Lee, Md.	Overman	Smoot
Culberson	Lewis	Perkins	Sterling
Cummins	McCumber	Pittman	Swanson
Dillingham	McLean	Pomerene	Thornton
Fall	Martin, Va	Ransdell	White
Fletcher	Myers	Shields	Williams

NOT VOTING—44.

Borah	Goff	Newlands	Smith, S. C.
Brady	Gronna	Owen	Stephenson
Brandegee	Hitchcock	Page	Stone
Burleigh	Hollis	Penrose	Sutherland
Camden	Johnson	Robinson	Tillman
Catron	Kenyon	Root	Townsend
Clark, Wyo.	La Follette	Saulsbury	Walsh
Clarke, Ark.	Lea, Tenn.	Sherman	Warren
Colt	Lippitt	Smith, Ariz.	Weeks
Crawford	Lodge	Smith, Ga.	West
du Pont	Martine, N. J.	Smith, Mich.	Works

So Mr. POINDEXTER's amendment was rejected.

Mr. REED. I move to strike out of section 8 all after the word "competition" in line 8, on page 9, down to and including the word "competition" in line 16. I ask that the clause proposed to be stricken out be read.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. In section 8, page 9, line 8, after the word "competition." it is proposed to strike out:

Nor shall anything contained in this section prevent a corporation engaged in commerce from causing the formation of subsidiary corporations for the actual carrying on of their immediate lawful business, or the natural and legitimate branches or extensions thereof, or from owning and holding all or a part of the stock of such subsidiary corporations, when the effect of such formation is not to eliminate or substantially lessen competition.

Mr. CULBERSON. Mr. President, we are unable to follow the amendment in the new bill, and I only have a copy of the new bill before me. What page of the new bill is it?

The SECRETARY. It is the third paragraph of section 8, which is on page 9 in the last print. Beginning on line 24, after the word "competition," the Senator from Missouri proposes to strike out the remainder of paragraph 3.

Mr. REED. Mr. President, we have amended this section, after going through great tribulations about it, by striking out the words "eliminate or substantially," so that it applies to lessening competition. It applies where competition may be lessened. Now, after having provided that nothing can be done which may lessen competition, we go on in the bill, in the language which I am asking to have stricken out, and provide:

Nor shall anything contained in this section prevent a corporation engaged in commerce from causing the formation of subsidiary corporations for the actual carrying on of their immediate lawful business, or the natural and legitimate branches or extensions thereof, or from owning and holding all or a part of the stock of such subsidiary corporations, when the effect of such formation is not to eliminate or substantially lessen competition.

Mr. President, that simply means to coldly legalize the creation of chains of corporations; to coldly legalize the very thing the Harvester Trust did when it created the Harvester Corporation and made it its selling company; to coldly legalize just such devices as were pursued by the New Haven Railroad; to say that a man can start with a corporation of $2,000 stock, then he can organize another corporation of $2,000,000 and tie it to it, and he can organize 20 other corporations and tie them again to the second one he has organized, and a chain of corporations can be built across a country.

It legalizes all that any trust magnate or organizer of trusts ever ought to ask. It is not necessary. There is not a man whom I have ever heard discuss this question who has offered a good reason for one corporation organizing a dozen other corporations. Now, what is the reason? What good reason can be advanced for that sort of thing? Why should we sanction it?

Mr. THOMAS. Mr. President, if the Senator will permit me——

Mr. REED. I yield.

Mr. THOMAS. I wish to remind the Senator that it is precisely in that way that the so-called water-power trusts of the country have been built up—by the creation or acquisition of subsidiary corporations. If any one aspect of corporate monopoly has received the denunciation of thoughtful men, particularly of the Democratic Party, it is this. It is a form of monopoly now receiving consideration in legislation designed to provide for the leasing under governmental control of remaining water powers. It came into being through the system of forming and controlling subsidiary corporations through the agency of central or holding combinations.

Mr. REED. I thank the Senator.

It will be said by the advocates of this measure that there is no harm in it, because it contains the words "when the effect of such formation is not to eliminate or substantially lessen competition." Taking the water-power illustration, here are 100 streams, not one of them harnessed. A concern conceives the idea of getting all that water power under control. It organizes a corporation which builds a dam across a certain river. Then it goes to another stream and builds a dam across the other stream. That would not come within the purview of this bill. There has been no competition; the streams were not in competition with each other, and yet you are gathering under one common management the sole source of natural power.

Mr. LANE. Mr. President, I will say for the information of the Senator that it is just such schemes that are on now in connection with the water powers in the different Western States.

Mr. REED. Why, certainly; and that is not all. The scheme is on now of organizing an electric light company in Town A, another in Town B, and another in Town C, owned by separate companies, subsidiary, however, to one parent company. After that has been done, and 15 or 20 towns have been consolidated in that way under one management, the next step is to get hold of the interurban railroads that are run by electric power in those towns; and in a short while it is absolutely impossible for any institution engaged in any one of those lines to live, because of the power which has been created, and which is too great for them to hope to compete with. Yet the electric light company in each of those towns has not been in competition with any other electric light company in another town in the sense that we use the term "competition."

Mr. President, I am utterly opposed to leaving that language in the bill. It may be that my opposition will have no effect. It may be that we propose to go on here, and on and on, to allow holding companies to exist, to allow interlocking directorates to exist, and now to allow chains of corporations to be created. My opinion is that when we get through with a little more of this kind of legislation the courts will say that by the enactment of it we have given legislative sanction to the very thing that the courts to-day apparently are about to condemn. I hope this language will be stricken from the bill.

Somebody will say that sometimes it is a matter of convenience. Mr. President, I must admit that it is sometimes a matter of convenience. It is sometimes a matter of convenience for a company owning a railroad to be able to reach out and get another railroad. It is nearly always a matter of convenience for one coal company to reach out and get another coal company; but that argument is the argument that lies back of the creation of every trust that ever has been built up. They have always claimed that there was an economic reason back of their creation.

Now, we propose here, as we are enacting antitrust legislation, to legitimatize the creation of a string of corporations, which may be unlimited in number and unlimited in capital, and to impose them upon the country. We may go on doing that, but I will venture the prediction that the people of the United States will finally see to the bottom of this bill, and that when they do they will have something to say about legitimatizing the creation of a string of corporations allied with each other and tied together.

Mr. THOMAS. Mr. President, I have in mind a so-called holding corporation organized under the laws of the State of Delaware, with a capital of $50,000,000. Its assets consist of the stock of a number of subsidiary companies engaged in the lighting and gas business. One of these corporations is in the State of Missouri, one is in Ohio, one is in New England, one is in Colorado, and still another is in the State of Washington. Now, some of these subsidiary corporations are profitable. Others are not so. The common income from all of them constitutes the fund from which dividends are paid and the interest charges of the parent company are met.

The corporation in Colorado, which pays 20 per cent, say, upon its capitalization, is therefore thrown in with a corporation in Missouri, which, we will say, pays nothing, but is operated at a loss. Twenty per cent profit on the corporation in Colorado is too much, and it ought to be reduced; but it is not reduced, since that larger profit is needed to cover the losses in the other subsidiary concerns. They are all tied together; but, as the Senator from Missouri says, there is not and can not be any competition between them.

Mr. President, the holding company is a concern which enables people to do business with concealed weapons. It is the natural offspring of the removal of the old and salutary restrictions which prohibited corporations from investing in the stock of other companies. That is something that ought to be prohibited in any scheme of legislation, and particularly in one which is designed to reach and cover these evils all over the country.

I hope the amendment proposed by the Senator from Missouri will be adopted.

Mr. CHILTON. Mr. President, this part of the section is as it came from the House. It was not amended in any way by the Senate Judiciary Committee. It seems to me that anyone who understands the business of the country can defend the position taken by the House and by the Senate committee without being either a trust magnate or a defender of trusts.

There are two or three instances I could give to the Senate, which would show, I think, not only that this provision should not be amended substantially, but that it is eminently proper that anyone who undertakes to deal with the business of the country should keep in mind the things that were in the minds of the members of the committee when they assented to this provision.

For instance, Mr. President, the laws of many of the States limit the things which one corporation can do. This morning I asked the distinguished Senator from Missouri whether or not the amendment as to which he was then addressing the Senate would cover a case wherein a steel corporation was engaged in business and it bought stock in another corporation that was getting out iron ore. He said no; he did not mean to prohibit that.

Mr. REED. I said I did not think so.

Mr. CHILTON. He said he did not think it would do so. Therefore I take it he did not want it to do so. Suppose you have a law in a State that a steel corporation can engage in no other business. That is what the laws of some of the States provide. This is to cover that kind of a case, so that when people are engaged in the steel business and happen to be in a State which will not allow a steel corporation to engage in the iron-ore business the same men who are engaged in the steel business in an infinitesimal way as compared with the Steel Trust may do in a little way what the Steel Trust does in a big way, because it has an immense organization and immense capital and may get the raw products.

Another instance: I live in a State where a few years ago what are now the rich coal fields of the State were a wilderness. That industry was not built up by the railroads. At one time the coal happened to be in a zone as to which the great railroads of this country said, "It is not yet time to develop the coal fields of West Virginia. Pennsylvania is nearer to the eastern coast, and Indiana and Ohio are nearer to the Great Lakes. Let West Virginia alone." West Virginia was developed not by any trust and not by any railroad, but by the ingenuity and the initiative and the energy and the enterprise of the people within her boundaries.

A man starts in to organize a coal company. His coal land is 10 miles from a railroad. A coal company can not condemn land to build a railroad. The railroad would not extend its lines up to the coal land. The genius and the enterprise of West Virginia formed the coal company. The same men organized a little railroad company that could condemn land which probably the other railroad had gotten possession of to prevent their developing it; and by having the two corporations, one the main and the other the subsidiary corporation, they developed it. It is the same in the oil business. It is the same in the limestone business. It is the same in the coal business in other parts of the State.

I venture to say that nothing on this earth that we could do would get at the wrong end of the trust business more certainly than if we should strike out this provision. It is not intended for the trust. The trust is there, in control of its dominion. It already has its organization, and it does not care whether it controls it by means of a holding company or not; but it is a great thing for the little man, the little developer, the little man who hopes that at some time he will have a thing that can be put as a buttress against these great combinations of wealth, and who has just as much right to live as the big man.

Mr. President, this language provides in every possible way against the abuse of this privilege in the manner suggested by the Senators. It provides that this shall not be done where it substantially or materially lessens competition. That is all we can do. It provides that it may be done in the other case, where it is purely for investment. In my judgment, it would be a misfortune to strike it out. It would injure thousands upon thousands of little business men and would not hurt a single trust now organized in the United States.

Mr. OVERMAN. Mr. President, an example which I remember in my own town I think will apply in this case.

The people of my town, a small town, wanted to build a street railroad. They did not have the money there with which to build it. They opened correspondence with street railroads throughout the country, and they found a street railroad company in Grand Rapids, Mich., 2,000 miles away, that had some money to invest, and they invested it in this little street railroad in my town.

Now, how does that hurt anybody? It helped to build up my town. It put the money in the town. It is not in competition with any other railroad. Why should they not do that? Why should we not say "This section shall not apply to corporations purchasing such stock solely for investment"?

They purchased some of the stock, and that railroad was built 2,000 miles away, and they hold the stock now. How does that hurt anybody? How does that hurt any citizen or destroy anybody? Why should not that be done?

The House left that provision in the bill, and I give this as an example of the way it would operate.

Mr. THOMAS. Mr. President, may I inquire of the Senator what the capitalization of the local company is as compared with the amount of capital which the Grand Rapids concern has?

Mr. OVERMAN. I have never gone into that. I do not know what the capitalization is. That is a question for our State to look after, and the State ought to look after it.

Mr. THOMAS. Precisely. If that can be done under the laws of the State, of course we have nothing to do with it.

Mr. OVERMAN. No.

Mr. THOMAS. But the Senator inquired how a system of that kind would operate injuriously. I gave an illustration a few minutes ago of an actual situation.

Mr. OVERMAN. Well, that is a bad case. If we can not strike down one evil without at the same time destroying a thousand innocent people——

Mr. THOMAS. Will the Senator permit me to finish the answer to his question?

Mr. OVERMAN. Yes.

Mr. THOMAS. This concern controls the gas and electric company in my city. It is a very profitable company. It owns two or three other concerns that are operated at a loss. Now, it affects us just in this way: The price to the consumers of my city is kept beyond what it reasonably ought to be, when you consider the return, because of the fact that this operating company is losing in other places. In other words, the people of one community under such an arrangement are taxed to supply the losses and deficiencies of corporations in other communities that may be, as the Senator says, 2,000 miles away.

Mr. OVERMAN. That can not be so in the town where I live, where they built this little railroad, and other companies have built railroads in other towns.

Mr. THOMAS. It is not so always, of course.

Mr. OVERMAN. Of course not.

Mr. THOMAS. But the fact that it is frequently so makes it necessary to legislate against it.

Mr. OVERMAN. And in prosecuting one great trust you destroy 10,000 innocent people who are building up this country. Town after town all over the South is being built up by the capital of these northern corporations. That is injuring nobody, but is building up our own State. If you destroy that, we will have to live among ourselves and trade with nobody on the outside.

Mr. THOMAS. Mr. President, the time will come when the Senator and his people will pay, and pay dearly, for the aid which he now thinks is so necessary. It will come in the way of taxes, increased capitalization, and all of the other ways that the holding company knows so well how to manipulate and how to attain.

Mr. OVERMAN. Not at all. We have a State legislature that will control them. We have a commission that fixes their prices. A corporation in Grand Rapids, Mich., can not injure our people by putting their money down there and building this little railroad. This is only one of a thousand instances where people have gone from the North and from the West and have invested their money in little corporations that are not in competition with any other corporation on earth; and what injury can it work to the people?

Mr. REED. Mr. President, I should like to ask a question of my friend from North Carolina.

Mr. OVERMAN. I am always glad to yield to my friend from Missouri.

Mr. REED. I should like to ask the Senator if he thinks that no capital will come into his State to organize a corporation, where there is a good and honest field of investment, unless the stock of that corporation is owned by some outside corporation?

Mr. OVERMAN. Mr. President, an aggregation of capital helps to build up a country. Individuals will not subscribe. If we had looked to the individuals in the North to come down and build up this little railroad in our town, we could not have gotten a cent from them; but where they had an aggregation

of capital they could afford to come down and take stock in this little company and build it up and give us a street railroad, and give us an electric-light company, and give us, if you please, a water-power company, provided it is not a monopoly, and provided it is not destroying competition.

That is the question: Is it destroying competition? If it is destroying competition, we have given a power by which an investigation can be made, and you can go into court and stop them and enjoin them and punish them. Is not that power enough, at this time when we are in the midst of war, without destroying the business of this country?

Pardon my exuberance.

Mr. REED. Has the Senator concluded?

Mr. OVERMAN. I want to answer the Senator's question.

Mr. REED. I do not know what the question was. I was so completely engulfed in the tornado of passion——

Mr. OVERMAN. I did not mean to be passionate nor did I mean to be a tornado.

Mr. REED. I had forgotten that I was asking a question.

Mr. OVERMAN. I was just a little bit emphatic; that is all.

Mr. REED. I say that there is not an honest field of human endeavor that capital will not enter without any such device as the tying together of a lot of different corporations. Whenever in the State which the Senator so ably represents there is a field of industrial activity that has not been entered money will come there, and it is not necessary to introduce in his State the tail of a trust, the head of which is in Michigan, in order to develop his State.

Mr. OVERMAN. Mr. President, I do not think this is a trust. I do not know that it is. I do not believe there is a trust in North Carolina. I never heard of one. We are progressing, however, and we are progressing very rapidly. Twenty-five years ago we were in poverty and distress. We had no money and we had to go North and secure money with which to build these great institutions of ours. As I said this morning, this development could not have been brought about if we had not been able to go and get machinery with which to equip our cotton mills, and make payment in stock. They would not give us any money, but they would supply us the machinery and take stock in payment. The consequence is that we have more cotton mills to-day than any other State in the Union, and there is no other State which is progressing so rapidly. There is not a trust there, and there is competition everywhere.

Mr. REED. But that is not this case. That is already provided for.

Mr. OVERMAN. I understand that is provided for, but some Senators would have stricken that out and stopped that sort of business.

Mr. REED. That is a case of organizing a corporation in Michigan, and then that corporation organizing a corporation in the Senator's State and in mine and in all the States of the Union. We propose to recognize by this bill and by express language the right to create that sort of thing and impose it upon this country.

Mr. OVERMAN. I think not.

Mr. REED. Now, you can organize a corporation in your State, and any individual can own stock in it, and individuals will come and acquire the stock if it is a good field of venture. It is not necessary to tie together a lot of corporations by the method that is here permitted, namely, to allow one corporation to organize another, and another to organize another, so as to have two or three hundred corporations organized and tied together.

Mr. OVERMAN. Mr. President, the Senator, with his great ability, always gives us very extreme cases—cases that I agree ought to be corrected and ought to be prosecuted. I am willing to put in the penitentiary the men who do those things; but what I said to the Senator is true—that in destroying one offending corporation you destroy a thousand or ten thousand that are perfectly innocent and are doing a lawful and legal and just business.

Mr. REED. No; you would not destroy them. You would simply say that no more of them should be created hereafter in this way.

Mr. OVERMAN. Why should not a corporation in North Carolina, if it has $100,000 surplus capital, go into Missouri and invest it in some little corporation engaged in some line of business down there?

Mr. REED. Because we want our corporations to be organized at home and run by human beings, as the law provides, and not run by another corporation.

Mr. OVERMAN. Yes; but your corporation would be run by human beings in Missouri. We would have to look to an honest Missourian to see that the business was transacted justly.

Mr. REED. No; you would simply have some putty men there, some dummies, and it would be run the other way.

Mr. OVERMAN. That is not my experience. I have just referred to an example from Grand Rapids, Mich., which the Senator from Michigan [Mr. SMITH] knows all about. They invested $200,000 down in my State. They have no Michigan men at all in the directorate. The corporation is entirely controlled by men in my town. The concern is paying. You could not have found a man in Grand Rapids who would have put $200,000 of his own money in it; but this company had some supplies to sell. We bought our supplies from them, and they took the stock and subscribed the money. What harm is there in that? It has helped to build up our State and helped to build up my town, and who has been injured by it?

Mr. REED. I will tell the Senator. I will answer him right now. He has already answered his own question. They did that plainly for the purpose of making a market for their wares and shutting other people out of that market.

Mr. OVERMAN. They have not done it.

Mr. REED. The Senator stated that the local company bought supplies from them.

Mr. OVERMAN. They buy supplies where they please.

Mr. REED. The Grand Rapids people sell their supplies to this company, do they not?

Mr. OVERMAN. Some supplies; yes. If they sell them as cheaply as anybody else, our people will buy from them.

Mr. REED. Why is it necessary to have a corporation do it?

I can give the Senator an illustration. The United Gas Improvement Co. by that means has gained control of nearly every gas plant in the United States. They organize a local company. The minority of the stock of the local company is sold to local people. The majority is held by them. They proceed, under that device, to milk that community; and the local stockholders, so far as I know, have never obtained a dividend. They have had local people as directors, but the directors have been the dummies of the Gas Trust. I am opposed to that sort of a proceeding.

Mr. OVERMAN. So am I; but I think a State ought to have power to deal with a situation of that kind. The States have some power. Let them control that sort of thing.

Mr. NEWLANDS. Mr. President, I wish to ask the Senator from North Carolina whether the Grand Rapids company to which he referred, which I presume is a holding company, owns the stock of other railroads operating in other cities or towns?

Mr. OVERMAN. In my State?

Mr. NEWLANDS. No; through the South, or anywhere in the country.

Mr. OVERMAN. I do not know of any other company that they are operating. A bank cashier wanted to build a little street railroad in my town. He corresponded with a banker in Grand Rapids, Mich., and got into communication with a company that controlled a street railroad and had some money to invest. They invested it in a little street railroad in my town. It has hurt nobody, and both parties are satisfied.

The VICE PRESIDENT. The hour of 4 o'clock has arrived. From this time forward debate will proceed 15 minutes to a Senator, not to exceed 20 minutes to the Senator offering the amendment.

Mr. NEWLANDS. Mr. President, I wish to suggest to the Senator from North Carolina that there are two kinds of holding companies—one is the holding company that is organized for monopoly, and the other is the holding company that is organized for investment and with a view to prosecuting in the various States enterprises under a common control, such as street railways, gas companies, and so forth. One reason for the holding company of subsidiaries is that it is oftentimes, and I think in most cases, almost impossible for a corporation organized in one State to own directly a public utility in another State, and hence they are obliged, if they wish to make the investment, to organize a holding company with a view to prosecuting their enterprises in numerous States. The inquiry of the Interstate Commerce Committee on this subject——

Mr. REED. May I ask the Senator a question?

Mr. NEWLANDS. I am so limited in my time——

Mr. REED. I wish to ask merely one question.

Mr. NEWLANDS. Very well.

Mr. REED. If the States have thrown that safeguard around them, could it be stricken down and nullified by this device?

Mr. NEWLANDS. I do not think it is stricken down or nullified. The State compels the capital invested in public utilities within its boundaries to be represented by shares of stock in local companies under the control either of the State or of the municipality acting under the State legislature. So this arrangement meets the purpose of the State. Instead of having a foreign corporation organized under the laws of another

State conducting its public utilities within the boundaries of that State, it insists upon corporations being organized for that purpose under the laws of the individual State.

A great deal of testimony was taken on this subject before the Interstate Commerce Committee, and I must say when the inquiry commenced I was disposed to regard all holding companies as practically of the same character, but we found upon inquiry that there were large investment organizations of this kind effected throughout the United States; that there were numerous investing companies which took the form of a holding company with a view to develop public utilities in the various States. We also found that their form of organization was very perfect; that they have skilled engineers, experts, and accountants, and a system of control which enables them not only to determine what the best economies are, but to enforce them. We found that in numerous States where railroad systems and public-utilities systems generally had broken down because of it they gladly welcomed the guidance of holding companies organized under the laws of another State to control the corporations within the individual State.

It is a well-known fact that the entire administration of these local utilities has been immensely improved by these operations.

It is true that that system can be abused like all other systems. A holding company may issue exaggerated issues of stocks and bonds upon the basis of the securities issued by the local companies, and I think no doubt that instances of that kind exist.

Mr. THOMAS. Will the Senator permit me to ask him a question?

Mr. NEWLANDS. I beg the Senator's pardon. I will yield in a moment to the Senator. But we found that that practice was diminishing in its abuse steadily and that the laws of the respective States were being so vigilantly controlled by the people themselves that it was impossible or difficult to continue these abuses.

Recollect that now there is a public-utility commission in almost every State in the Union. Most of these public-utility commissions are controlling the stock and bond issues of the local companies, the subsidiary companies owned by these great holding companies. The issues of the stocks and bonds in the local companies are not under the control of the foreign holding company, but actually under the control of the commission organized under the laws of the respective States, and the very purpose of compelling the organization of these corporations under the laws of the respective States is to insure control not only over capitalization but of every detail of the business, extending even to the regulation and fixing of the rates themselves. This business has now assumed enormous proportions. It is being conducted, and it can not be successfully conducted in the end, unless it can be conducted in the most scientific and businesslike way.

The various representatives of the investment companies appeared before us, and I am sure that so far as I was concerned they entirely disarmed my suspicions regarding this system. I believe it is a good system. I do not believe that it has any of the evils of the monopolistic tendencies of the ordinary holding company that is organized to suppress competition. Recollect these holding companies hold public utilities that are in competition with each other. We all know, the country is beginning to realize the fact, that every public utility is in one sense a monopoly, and the only thing to control in that competition is regulation by the State or the municipality.

Mr. President, we are now in the throes of warlike conditions throughout the world that are sufficiently disturbing the operations of capital. In my judgment it would be a fatal mistake to now check the operations of these great holding companies and declare them invalid and compel a division of their holdings and the administration of these various public utilities under individual control, inefficient control, in various towns and municipalities, and not under the scientific, businesslike control of these great holding organizations or investment companies.

Mr. REED. Mr. President, if we are going to stop enacting trust legislation on account of the war in Europe, let us stop. Let us not undertake to handle a subject and then every time there is a proposition made that will draw a single drop of blood from the veins of the monopolies of this country have the cry raised that there is a war in Europe and we ought not to do that particular thing. If it is wrong to legislate right on this question because there is a war in Europe, let us stop all legislation now and wait until matters settle themselves; but do not let us pretend that we are passing antitrust legislation, and every time it is proposed to do something that will count cry out, "There is a war in Europe."

Mr. President, I am astounded to hear my friend stand here and defend the system that he has been defending. If we have condemned any one thing in our platforms, it has been the holding companies, it has been the very device he has named, by which a few gentlemen get together some capital and organize a company, promote a corporation, and then organize another company and attach it to that corporation. The great Bell Telephone Co. was organized in that way, and they have a scientific management.

Mr. NEWLANDS. If the Senator will permit me, I will state that in the discussion I drew the distinction between a class of holding companies and those engaged in suppressing competition and upholding monopoly. There is a class of holding companies entirely distinct from those, and it was in reference to those holding companies that I addressed myself.

Mr. REED. The Bell Telephone Co. was built on this plan. There was a parent company. The parent company then organized another company and took a majority of the stock in it. That company was in a territory within which it could organize subsidiaries, and it took a majority in those subsidiaries, until finally that parent company, with probably one-twentieth of the capital that was invested in all the companies, controlled this vast network of companies spread over the country.

Mr. OVERMAN. The Bell Co. has been prosecuted, and has been convicted, and an order made dissolving it.

Mr. REED. Yes.

Mr. OVERMAN. If that can be done in that case where it created a monopoly, could it not be done under the Sherman antitrust law with the monopoly the Senator speaks of? Why not let the Attorney General prosecute them instead of stopping any corporation from holding them?

Mr. REED. If that argument be sound, then we have no right to write a line to the Sherman Act. If it be sound with reference to the illustration I gave and sound with reference to this subject matter we are now considering, then it is equally sound as to every combination and every restraint of trade, and we need no more legislation.

Mr. OVERMAN. As the Senator knows, the Bell Co. has been prosecuted and convicted.

Mr. REED. Exactly. I use this illustration to show that this company, which had gone to such extent that it could be prosecuted and convicted under the Sherman Act, is pursuing the very method that my friend here said is being so scientifically pursued throughout the country; and, indeed, it is being scientifically pursued.

Mr. THOMAS. I think the Senator might add that if his amendment does not carry, under this provision it would be very doubtful whether the Attorney General can prosecute any more of them.

Mr. REED. Mr. President——

Mr. NEWLANDS. Does the Senator claim that an organization like the Bell Co. could not be prosecuted under the Sherman law, whatever we do with this act?

Mr. THOMAS. I pretend to say that if we are going to legitimatize these holding companies there will be an end to the further prosecution of them.

Mr. REED. If you had had this statute on the books, the Bell Telephone Co. would have come forward and said: "It is true we have a company here at Philadelphia, a parent company; it is true we have a company in Chicago; that we have a company in St. Louis; that we have another in Kansas City; that we have one in Raleigh. We have all these companies, but they were not in competition; these places were not in competition with each other; and we have simply bound them together by a stock ownership. We have a very scientific management; we have cut off a great many expenses; we have auditors and we have skilled men and all that," and make the further argument that has been made here. I tell you, if you write this into the law, in my humble judgment, the day will come when the people will rise in this country and cry anathema maranatha upon the legislation.

Mr. OVERMAN. I will ask the Senator, as a lawyer, if he thinks that would have availed them in the Supreme Court in answer to the prosecution?

Mr. REED. I think it would have been very likely to have been a very great argument in their favor.

Mr. OVERMAN. I understand it would have been the only argument that would have availed them.

Mr. REED. I fear it would have been conclusive. "No corporation shall, directly or indirectly, acquire the stock of any other corporation," and so forth—

Provided, This section does not apply to corporations which form subsidiary corporations for the actual carrying out of their immediate lawful business.

The immediate lawful business of the Bell Telephone Co. was to put in telephones, but it kept it up to a point where the Supreme Court said it had created a monopoly. Of course, the long-distance business came in, to some extent, to tie the whole scheme together.

Mr. WALSH. The present administration instituted a proceeding against the Bell Telephone Co., my understanding about it is, not because it acquired new lines or the stock in companies operating lines in new territory, but because it acquired competing lines. Out in our part of the country, for instance, they acquired or sought to acquire the lines of the Intermountain State Telephone Co., the headquarters of which are in Denver.

Mr. REED. That would not reach the question of their control in every city of the country as an independent proposition.

Mr. WALSH. No; but so long as the Bell Telephone Co. contented itself with the acquisition of lines in new territory, or went into new territory, no complaint was made. However, just as soon as they began acquiring competing lines in their own territory or competing lines in new territory, to which they desired to go, they ran counter to the Sherman law.

Mr. REED. Nevertheless the Senator will agree with me that even aside from that they had already established substantially a complete monopoly in this country.

Mr. WALSH. I am unable to understand that, except that they had patents.

Mr. REED. All their patents expired 10 or 12 years ago that were of any real potential value.

Mr. WALSH. So far as they acquired the lines of any competing company in any of their territory, they would of course become subject to the provisions of the Sherman law, and that is sought to be prevented.

Mr. REED. The mere organization under one control of the local exchanges of all the important cities of the country made it impossible for any outside company to compete in long-distance or other business. Others simply could not get into the territory.

Mr. CULBERSON. Mr. President, the Senator from Missouri moves to strike out this language on page 9 of the old print of the bill:

Nor shall anything contained in this section prevent a corporation engaged in commerce—

That, of course, means interstate or foreign commerce—

from causing the formation of subsidiary corporations for the actual carrying on of their immediate lawful business or the natural and legitimate branches or extensions thereof, or from owning and holding all or a part of the stock of such subsidiary corporations, when the effect—

The attention of the Senate is invited to this language, which has not been emphasized by anyone opposed to this provision—

when the effect of such formation is not to eliminate or substantially lessen competition.

Showing that it harmonizes with the balance of the bill, and that any of these acts which eliminate or substantially lessen competition are denounced by the bill. A great deal has properly been said in commendation of the House Committee on the Judiciary with reference to the bill. I desire to read what it says, and it is very brief, with reference to these particular exceptions, one of which I have just read and which the Senator from Missouri proposes to strike out. This is from the report of the House Judiciary Committee:

Section 8 is intended to eliminate this evil so far as it is possible to do so, making such exceptions from the law as seem to be wise, which exceptions have been found necessary by business experience and conditions, and the exceptions herein made are those which are not deemed monopolistic and do not tend to restrain trade.

One of the exceptions referred to in this report is that now proposed to be stricken out.

Mr. President, in addition to that, the committee of the Senate has reported a provision which further protects the people. It is found on page 10, as follows:

Nothing contained in this section shall be held to affect or impair any right heretofore legally acquired: *Provided*, That nothing in this section shall be held or construed to authorize or make lawful anything heretofore prohibited and made illegal by the antitrust laws.

Therefore, so far as the interests of the people are concerned, they are fully protected by the bill, and especially by the proviso to which I have just this moment called attention.

Mr. SHIELDS. Mr. President, this amendment will not, I think, have the effect apprehended by the Senator from North Carolina [Mr. OVERMAN]. The clause immediately preceding the one proposed to be stricken out in the third paragraph of section 8 is in these words:

This section shall not apply to corporations purchasing such stock solely for investment and not using the same by voting or otherwise to bring about, or in attempting to bring about, the substantial lessening of competition.

That would authorize the investment of the Grand Rapids company in the street railway company of Salisbury. The clause that is proposed to be striken out provides:

Nor shall anything contained in this section prevent a corporation engaged in commerce from causing the formation of subsidiary corporations for the actual carrying on of their immediate lawful business, or the natural and legitimate branches or extensions thereof, or from owning and holding all or a part of the stock of such subsidiary corporations, when the effect of such formation is not to eliminate or substantially lessen competition.

I intend to vote for the motion to strike this out, because I believe to leave it in the bill will legalize a mischievous practice. I need go no further than the greatest monopoly that has existed in the United States, the Standard Oil Co., which has a number of subsidiary corporations, all of the same name except the State where incorporated. Among them were the Standard Oil companies of Ohio, of Kentucky, and of two or three other States.

In Tennessee we have antitrust laws prohibiting combinations and conspiracies tending to lessen competition and destroy commerce. The Standard Oil Co. was doing business in that State under the name, as I now remember, of the Standard Oil Co. of Ohio. The attorney general of Tennessee filed a bill charging that company with violating the laws of the State and seeking to expel it from the State under the provision of our statute. The case was brought to trial, and a decree granted enjoining the company from doing business in Tennessee. Within 30 days after that decree was entered all the property of the Standard Oil Co. of Ohio in the State was turned over to the Standard Oil Co. of Kentucky, and the same business went on without any interruption. That is what can be done if this section is enacted into law. You can not fix the responsibility on the parent company. It can dodge and cover under first one and then another of its subsidiary companies, and it is impossible to reach it. Forbidding such corporations creates no hardship on anyone. There is no reason why the parent company can not do business in all the several States through agents. Corporations should not be allowed to escape responsibility, as they are now doing, under the cover of subsidiary corporations. The clause which the Senator from Missouri has moved to strike out permits and legalizes this scheme of monopolists, and it should not be enacted into law.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Missouri.

Mr. REED. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. HOLLIS (when his name was called). I am paired with the Senator from Maine [Mr. BURLEIGH]. I transfer that pair to the Senator from Mississippi [Mr. VARDAMAN] and vote "nay."

Mr. THOMAS (when his name was called). Again announcing my pair and its transfer, I vote "yea."

Mr. TOWNSEND (when his name was called). I transfer my pair with the junior Senator from Arkansas [Mr. ROBINSON] to the Senator from Illinois [Mr. SHERMAN] and vote "yea."

Mr. WALSH (when his name was called). Transferring my pair, as heretofore, to the Senator from Nevada [Mr. NEWLANDS], I vote "nay."

Mr. WILLIAMS (when his name was called). Transferring my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the junior Senator from South Carolina [Mr. SMITH], I vote "nay."

The roll call was concluded.

Mr. FLETCHER. Announcing my pair and transfer as before, I vote "nay."

Mr. JAMES. I desire to inquire if the junior Senator from Massachusetts [Mr. WEEKS] has voted?

The VICE PRESIDENT. The Chair is informed that he has not.

Mr. JAMES. I have a pair with that Senator, and therefore I withhold my vote.

Mr. CLAPP. I desire to say that the senior Senator from Kansas [Mr. BRISTOW] is unavoidably detained from the Senate. He is paired with the Senator from Georgia [Mr. WEST]. If the Senator from Kansas were present, he would vote "yea."

Mr. REED. I am requested to announce that the junior Senator from Mississippi [Mr. VARDAMAN] has been called from the Chamber on account of the condition of his health. He is paired with the Senator from South Dakota [Mr. STERLING].

Mr. LEWIS. I desire to announce the absence of the senior Senator from Tennessee [Mr. LEA] on account of illness. I ask that this announcement stand for the day.

Mr. GALLINGER. I wish to announce the unavoidable absence of the junior Senator from Vermont [Mr. PAGE] in consequence of sickness in his family. I also announce the unavoidable absence of the junior Senator from Maine [Mr. BURLEIGH].

Mr. JAMES. I desire to announce the unavoidable absence of my colleague [Mr. CAMDEN] and to state that he is paired. This announcement may stand for the day.

Mr. WALSH. I desire to announce that the Senator from Oklahoma [Mr. GORE] is paired with the Senator from Wisconsin [Mr. STEPHENSON].

The result was announced—yeas 22, nays 31, as follows:

YEAS—22.

Ashurst	Jones	Pomerene	Sterling
Brady	Lane	Reed	Thomas
Bryan	Lee, Md.	Shafroth	Thompson
Chamberlain	Martine, N. J.	Sheppard	Townsend
Clapp	Norris	Shields	
Cummins	Poindexter	Shively	

NAYS—31.

Bankhead	Hollis	O'Gorman	Smith, Mich.
Burton	Hughes	Oliver	Smoot
Chilton	Lewis	Overman	Swanson
Culberson	McCumber	Perkins	Thornton
Dillingham	McLean	Pittman	Walsh
Fall	Martin, Va.	Ransdell	White
Fletcher	Myers	Simmons	Williams
Gallinger	Nelson	Smith, Md.	

NOT VOTING—43.

Borah	Goff	Lodge	Smith, S. C.
Brandegee	Gore	Newlands	Stephenson
Bristow	Gronna	Owen	Stone
Burleigh	Hitchcock	Page	Sutherland
Camden	James	Penrose	Tillman
Catron	Johnson	Robinson	Vardaman
Clark, Wyo.	Kenyon	Root	Warren
Clarke, Ark.	Kern	Saulsbury	Weeks
Colt	La Follette	Sherman	West
Crawford	Lea, Tenn.	Smith, Ariz.	Works
du Pont	Lippitt	Smith, Ga.	

So Mr. REED's amendment was rejected.

Mr. CULBERSON. In section 8, page 9, line 8, before the word "lessening," the word "substantial" should be stricken out to make the language accord with what precedes it, following the amendment of the Senator from Tennessee [Mr. SHIELDS]. I make that motion.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. In section 8, page 9, line 8, before the word "lessening," it is proposed to strike out "substantial."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. CULBERSON. In the same section and on the same page, in lines 15 and 16, the words "eliminate or substantially" should go out for the same reason, and I make that motion.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. In section 8, page 9, line 15, after the word "to," it is proposed to strike out "eliminate or substantially."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. CULBERSON. Also, in the same section, page 10 of the old print, line 7, before the word "competition," I move to strike out the word "substantial."

The motion was agreed to.

Mr. CULBERSON. In line 14, on the same page, before the word "competition," I move to strike out the word "substantial."

The amendment was agreed to.

Mr. CULBERSON. The amendments just made on my motion are to perfect the text.

Mr. CUMMINS. Mr. President, I offer as a substitute for section 8 the amendment which I have sent to the desk. I will ask that the amendment be stated.

Mr. WALSH. Mr. President, will the Senator from Iowa pardon me for a moment? I have a further amendment to offer to section 8.

Mr. CUMMINS. I will yield to the Senator, but I do not care to have it count in my 15 minutes.

The VICE PRESIDENT. The Senator's time has not yet commenced.

Mr. CUMMINS. Then, I yield to the Senator from Montana.

Mr. WALSH. I desire to call the attention of the Senate, and of the committee particularly, to the language of the Senate amendment on page 11, as it has been amended. It reads:

That nothing herein shall be held or construed to authorize or make lawful anything heretofore prohibited or made illegal by the antitrust laws.

Mr. CULBERSON. On what page?

Mr. WALSH. On page 11 of the new print.

The VICE PRESIDENT. On page 10 of the old bill, and page 11 of the new bill.

Mr. WALSH. It is now the last paragraph of the section. By this section we have again declared to be illegal the creation of a monopoly in either one of two ways, so that, of course, this act is not to be construed as authorizing that; but it is not clearly provided that notwithstanding we have declared those things to be illegal, prosecutions of them may still be carried on under the operation of the Sherman Antitrust Act. In other words, I suggest to the committee that the language here does not reach as far as they intended it should reach. It simply declares that nothing in this act shall be so construed as to make legal that which the antitrust act declares to be illegal; but it does not declare that prosecutions under the antitrust act may still be continued or instituted, notwithstanding anything herein contained. In other words, it does not clearly negative the idea that we have not made a substitute for the present method of the enforcement of the Sherman Antitrust Act.

Mr. CULBERSON. What is the suggestion of the Senator?

Mr. WALSH. The suggestion is that we should add the following language:

Nor to exempt any person from the penal provisions thereof.

I offer that amendment.

Mr. CULBERSON. There is no objection to that, Mr. President.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. It is proposed to add at the end of the paragraph, on page 10, after the word "laws," in line 21, the following:

Nor to exempt any person from the penal provisions thereof.

The VICE PRESIDENT. Without objection, the vote whereby the amendment which the Senator from Montana proposes to amend was agreed to will be reconsidered. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The VICE PRESIDENT. The Senator from Iowa offers an amendment which will be stated by the Secretary.

The SECRETARY. In lieu of section 8 as amended it is proposed to insert:

SEC. 8. That it shall be unlawful for any corporation to acquire, own, hold, or control, either directly or indirectly, the whole or any part of the capital stock or other share capital, or any other means of control or participation in the control, of two or more corporations engaged in commerce and carrying on business of the same kind or competitive in character: *Provided*, That the foregoing shall not be construed to prevent corporations not engaged in commerce acquiring, owning, and holding capital stock or other share capital solely for investment and not using the same in bringing about, or attempting to bring about, a common control of the corporations whose stock or other share capital it owns and holds.

It shall be unlawful for any corporation engaged in commerce to acquire, own, hold, or control, either directly or indirectly, the whole or any part of the capital stock or other share capital, or any other means of control or participation in the control, of any other corporation also engaged in commerce and carrying on a business of the same kind or competitive in character: *Provided*, That this section shall not apply to banks, banking institutions, or common carriers: *Provided further*, That no order or finding of the court or commission in the enforcement of this section shall have any force or effect, nor be admissible as evidence in any suit, civil or criminal, brought under the act of July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraints and monopolies."

Mr. CUMMINS. Mr. President, this section has been debated so fully that I intend to content myself with a mere statement of the difference between the substitute I now offer and the substitute offered by the Senator from Washington, voted upon a few moments ago, and the difference between my substitute and the section as it has been amended.

First, with regard to the difference between my proposal and that of the Senator from Washington: So far as ordinary corporations are concerned, the difference consists in the provision that a corporation not engaged in interstate commerce may be permitted to hold the stock of two or more corporations which are engaged in commerce if the stock is not acquired or held to bring about or to attempt to bring about a common control of the competitive corporations. I regard that as essential in a regulation of this character. I have very grave doubt whether we have the constitutional power to prohibit a corporation that is not engaged in interstate commerce from acquiring or holding the stock of corporations that are engaged in interstate commerce if the acquisition or holding does not affect interstate commerce. I doubt whether we can assume that the holding of a limited amount of stock in such corporations has such an effect upon the trade of the country as to bring it within our regulatory powers. Moreover, I believe it is wise to permit these corporations, such as insurance companies and savings banks, to hold such stock if it is held solely for investment. To prohibit it would disturb the business of this country so radically, it would destroy so many relations that are now established, that I can not think Congress desires to do it if to

do it will accomplish nothing in the way of preserving competition or of promoting the general welfare.

The second difference between the substitute I have offered and that of the Senator from Washington lies in the fact that I have excepted banks and common carriers from the operation of the section. With regard to banks, I have done it because I think our regulation respecting banks ought to be found in the laws relating to our currency and the organization of those institutions, rather than in a statute of this sort; and, furthermore, we have just enacted a statute which not only authorized but commanded the banks of this country to take stock and own it and hold it in the Federal reserve institution. It may be said that they are not competitive, but I think they are competitive. I think it will be found that they are in a proper sense competitive. At least, we ought not to attempt to interfere with the thing we have so recently done. Whether it was wisely done or not is not material at this time.

I have excepted common carriers because, in my opinion, an entirely different section ought to be adopted to regulate common carriers as to stock ownership. The Supreme Court of the United States has held that a common control of two competitive railway corporations is contrary to the antitrust law. If there is any one thing that is now thoroughly established beyond any controversy, it is that two competitive railway corporations or common-carrier corporations can not be united in a single control, and I hesitate very much to attempt to better the antitrust act. It is ample, it is efficient, and I can not think we will render the country a service by intruding upon that field in this legislation.

Moreover, there are a good many States in the Union which forbid a company organized in one State from owning the physical property of a common carrier in another State. If the ownership of the stock in a common carrier is an extension of the line or is an ownership that does not violate the antitrust statute, I do not know any way in which continuous lines can be secured or in which systems can be organized without permitting a railway company organized in one State to own the stock of a railway company organized in another State. It must, however, be subordinate all the while to the antitrust law. It must not be a consolidation or concentration of two competitive lines. I think we shall do better if we propose a section upon this subject when we advance to the consideration of the railway securities bill, an amendment of the interstate law, a section in which we can give to the Interstate Commerce Commission, without complication and without inference, the jurisdiction which we think that commission ought to have with regard to such a subject.

So much for the comparison with the substitute offered by the Senator from Washington. I now compare it with the bill as it is.

I have already expressed my view of the bill as it is, so far as it relates to one corporation holding the stock of another. I have the gravest doubt whether the section as it has now been agreed upon is helpful. I have the most serious misgivings with regard to it. I fear it will weaken rather than strengthen the regulations of commerce with regard to such subjects.

My substitute differs from the committee bill, first, in that it applies to existing holdings of capital stock. If we attempt simply to regulate the future—that is to say, if we attempt to prohibit one corporation from acquiring the stock of another, although they be competitors—we will have established, as far as we can, the relations which have been vexing the people of this country for now more than a decade. There is no reason why an ordinary corporation, exercising no public franchise, should not dispose of the stock it holds in violation of the wise and salutary principle that one corporation should not hold the stock of its competitor.

I should hesitate to advance that proposition if the penalty of violation were imprisonment, because there is vast difficulty in determining whether one corporation is or ought to be a competitor of another. That is not an easy subject, and I should not favor it at all with regard to past relations, for it would be unconstitutional, in the first place, and it would create great hardship in the second place; but as long as the section is to be administered by the trade commission, and the trade commission can say to an offending corporation, "You must dispose of the stock you hold in a rival company within a given time, to be fixed by the commission," no possible hardship will be imposed upon these ordinary trading corporations.

The second difference between my substitute and the committee bill relates to the holding company pure and simple. I omit in my amendment the paragraph which the Senate has just refused to strike out of the committee bill upon the motion of the Senator from Missouri. I feel that every Senator here will live to regret the incorporation of that paragraph in any regulation of commerce.

There are many objections to holding companies, but the chief one has not yet been suggested. The chief one is that it permits a small amount of capital to control a very large business. Ten per cent, 15 per cent, of the capital of a corporation in a single hand, if the stock be widely distributed, will control it; and if that corporation be permitted to buy another with equal capital it will control the additional capital, and so on and on, until you have put in a single hand with a trifling amount of capital, as compared with all that is involved, the power to control the whole business, and that is what is going on in this country every day. We all know it. It has been testified here over and over again that 10 per cent of the capital of a great corporation will control its management and its policy.

Moreover, if the paragraph in the House bill provided that all the stock of the subsidiary corporation should be owned by the parent company or the principal company, there would be less objection to it. I would have no serious doubt about the ownership of all the stock, for then the evil I have just suggested would not exist; but here we have not limited it. We have allowed the holding company to acquire just enough of the stock of the subsidiary company to control it and then proceed indefinitely with that expansion of capital and that limitation of power.

The Senator from Minnesota [Mr. CLAPP] pointed out the other day, and he stated a truth of which we are all conscious, that this pyramiding of capital can be finally projected to such lengths that a very few dollars will control a million dollars and more in the ultimate operation of the business of these allied companies.

I hope, having considered the whole subject, that we will not be content with the inadequate provision in the Senate bill.

Mr. CHILTON. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from West Virginia?

Mr. CUMMINS. I suppose I have about consumed my time, have I not?

Mr. CHILTON. I just wanted to ask the Senator why he put in the second proviso, not allowing a record of a conviction under his section to be evidence in any prosecution under the Sherman law?

Mr. CUMMINS. I do that because I have insisted from the very beginning that this legislation is supplemental to the antitrust law; that it must not be permitted to impair its efficiency or interfere with its processes. This section is to be worked out through the administration of the trade commission, and I do not want any order of the commission, or any order of the court following the order of the commission, to interfere in any way with the enforcement of the antitrust law. Therefore I have added that provision to my amendment.

I can say no more, Mr. President. The whole subject has been exploited. I think we all understand it fully. I offer my substitute as one which is fair to the corporation but necessary for the protection of the public, and upon it I ask for the yeas and nays.

Mr. REED. Mr. President, I desire to ask the Senator if he is not willing to divide his amendment so that its provisions can be voted upon separately? I am in favor of it all except the last clause—that relating to the enforcement of it.

Mr. CUMMINS. I am quite willing to do that. I know there are Senators here who do not feel that it is necessary and might be embarrassing at some time. Therefore with the permission of the Senate I submit it without the last proviso, asking that that be voted upon immediately after the first division, if the first division is adopted. If it is not adopted, then it will not be necessary.

Mr. POINDEXTER. Mr. President, I am very glad the Senator from Iowa has concluded to divide the questions in his amendment, because there is a part of his amendment that I am very much in favor of and a part of it that I am constrained to vote against. Before voting against any portion of his proposition, I feel like saying a few words in explanation of my vote, because of the great standing and reputation of the Senator from Iowa in his opposition to oppressive monopoly. I am opposed to making an exception of railroad companies.

Mr. CUMMINS. I do not make an exception of railway companies, because I expect to have them dealt with in the other bill that is before the Senate.

Mr. POINDEXTER. The other bill is not before the Senate for consideration now, and this bill deals with railroad companies. The Senator's amendment, if adopted, would lay down a preventive rule of corporate stock ownership as to corporations generally and give an implied permit, so far as this statute

is concerned, to railroad companies to continue their practice of merger by corporate stock ownership. That has been denounced by the courts of our country from the trial court to the Supreme Court of the United States. I could not vote in favor of that exception at any time or in any bill upon which I am called to vote.

I am also opposed, Mr. President, to weakening the prohibition of corporate stock ownership of competing companies by making an exception of so-called investment companies. The Senator mentions insurance companies and he mentions savings banks. Among the abuses of monopoly in recent years have been the control of banks and the control of insurance companies as investing agencies by those persons who were forming a monopoly. It is only a short time since the financial agencies of Mr. Harriman and his associates wrecked the Chicago & Alton Railroad and put upon the market sixty-odd million dollars of watered stock, using the power which they exercised over at least one of the great insurance companies of New York to take the money which the people had paid in hard-earned premiums for their insurance policies, and which had been accumulated by this insurance company, and put that into their pockets in exchange for this watered stock. There is an ample field of investment for all legitimate investment companies without excepting them from the prohibition of owning the stock of competing companies.

Mr. CUMMINS. But, Mr. President, the substitute offered by the Senator from Washington would have permitted exactly the same thing.

Mr. POINDEXTER. The Senator is mistaken in regard to that. There was no exception in that respect in the substitute I offered.

Mr. CUMMINS. There was an exception that the companies must be competing. The insurance company to which the Senator referred could have bought that stock. I do not think really it did, but it could have bought that stock just the same.

Mr. POINDEXTER. It could have bought the stock in one company, but not in two competing companies.

Mr. CUMMINS. It did not buy the stock.

Mr. POINDEXTER. Yes; it did.

Mr. CUMMINS. I beg pardon.

Mr. POINDEXTER. It bought the stock of other companies and was the owner of stock in the general Harriman system; but whether it did or not, it could do it, and the same control which induced it to buy the watered stock of the Chicago & Alton controlled it to invest in the watered stock of the Illinois Central or any other competing line.

The Senator says one reason for the exemption of railroads from the effect of this section of the act is the fear that it would weaken the antitrust law already established for the regulation of railroad monopoly or the prevention of it.

Mr. CUMMINS. No, Mr. President; the Senator misunderstood me. We feared that the section, taken as a whole as it came from the committee, might weaken the antitrust law. What I said about railroads is that the Supreme Court had declared positively that the control of one railroad by its competitor was illegal under the antitrust law and would not be permitted, and that we added nothing to the strength of it.

Mr. POINDEXTER. I think the Senator will find, if he reads his remarks, that he urged that we not only do not add anything to the strength of it, but we might weaken the law as already established by the decision of the court under the Sherman law.

Mr. CUMMINS. I did not so intend, if I expressed myself unhappily in that way.

Mr. POINDEXTER. We will assume that the Senator did not say that. He now says that we add nothing to the strength of it. The antitrust law that he refers to was not established only as to railroads. It was established as to the restraint of trade in a corporation. If there is any force in the Senator's argument, we ought not to interfere with it as to railroads, it applies with the same force to the entire section, as to the regulation of investments by any corporation or any corporate ownership of stock. If we are to restrain them as to some without weakening or repealing the present antitrust law as construed by the courts, we can do it also as to railroads.

The first part of the Senator's amendment, in my judgment, is a very meritorious proposition; but the two provisos which he attaches to it, excepting entirely railroad companies and investing companies from the effect of its prohibition, go so much further than any exception in the bill as reported by the committee that, unless we can vote separately upon them, I will be compelled to vote against the entire amendment.

The VICE PRESIDENT. The Senator from Iowa asks for the yeas and nays.

Mr. CUMMINS. May I ask which proviso the Senator from Missouri asked should be separated from the remainder?

The VICE PRESIDENT. The last proviso, beginning in line 9.

Mr. NORRIS. I ask the Senator if he will not except both provisos. He can offer them separately afterwards.

Mr. CUMMINS. I will ask for a separate vote on the amendment, without either proviso.

Mr. CULBERSON. Mr. President, is that proper under the rule? The Senator can modify his amendment. Does he modify his amendment by striking out the two provisos?

Mr. CUMMINS. There is a difference of opinion. What I want is a free, full vote, and I offer the amendment, first, to close with the word "character," in line 10, page 2.

Mr. REED. Mr. President, before the vote begins, I wish to make simply an inquiry. Does the Senator mean to have the section prohibit stock ownership and have it immediately apply to present conditions?

Mr. CUMMINS. I do; but possibly the Senator from Missouri has not in mind what I have with regard to its enforcement. There is no penal provision attached to this section. It is to be enforced by the trade commission upon a complaint that anyone is violating the section. The trade commission investigates, and if it finds there is a violation it orders that the violation shall cease and that the person or corporation complained of shall bring itself in harmony with the law. That gives the corporation which now holds stock which it ought not to hold under this principle an opportunity to dispose of the stock.

Mr. REED. Of course that will give some relief, but it strikes me that there ought to be a period allowed for readjustment. I do not know how anyone can feel more strongly than I do against these practices; but if a condition now exists, of course it can not be stopped to-day, nor in a week could it be readjusted. It would seem to me that the Senator ought to put into his amendment a period as to present conditions.

Mr. CUMMINS. I have thought the period I suggested sufficient. But that is purely a matter of detail, and if the Senator from Missouri will offer an amendment to my amendment of that kind I shall have no objection to it, provided the period be reasonable.

Mr. CULBERSON. I understand the Senator from Iowa to modify his amendment by offering it as it appears on page 1 and page 2 of the amendment down to line 10, including the word "character."

Mr. CUMMINS. That is the present offer. I will say that I intend afterwards to offer it including all.

Mr. CULBERSON. But it is offered for the present as I have stated?

Mr. CUMMINS. For the present the substitute ends with the word "character," in line 7.

Mr. CULBERSON. In line 10 of this print.

The VICE PRESIDENT. Is the demand for the yeas and nays seconded?

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CLAPP (when Mr. BRISTOW's name was called). The senior Senator from Kansas [Mr. BRISTOW] is necessarily absent on account of illness. He has a pair with the junior Senator from Georgia [Mr. WEST]. If the Senator from Kansas were present, he would vote "yea."

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. FLETCHER (when his name was called). Making the same announcement of my pair and its transfer as before, I vote "nay."

Mr. HOLLIS (when his name was called). I transfer my pair with the Senator from Maine [Mr. BURLEIGH] to the Senator from Mississippi [Mr. VARDAMAN] and vote "nay."

Mr. JAMES (when his name was called). I transfer my pair with the Senator from Massachusetts [Mr. WEEKS] to the Senator from Tennessee [Mr. SHIELDS] and vote "nay."

Mr. THOMAS (when his name was called). Again announcing my pair and the transfer, I vote "yea."

Mr. TOWNSEND (when his name was called). Transferring my pair with the junior Senator from Arkansas [Mr. ROBINSON] to the Senator from Illinois [Mr. SHERMAN], I vote "nay."

Mr. WALSH (when his name was called). The Senator from Rhode Island [Mr. LIPPITT], with whom I have a general pair, being absent, I withhold my vote.

Mr. WILLIAMS (when his name was called). Reannouncing my pair with the senior Senator from Pennsylvania [Mr. PENROSE] and its transfer to the junior Senator from South Carolina [Mr. SMITH], I vote "nay."

The roll call was concluded.

Mr. CLAPP. The junior Senator from North Dakota [Mr. GRONNA] is unavoidably absent. He is paired with the senior Senator from Maine [Mr. JOHNSON]. If the junior Senator from North Dakota were present and at liberty to vote, he would vote "yea."

Mr. GORE. I again announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON].

Mr. REED. I make the same announcement in reference to the enforced absence of the junior Senator from Mississippi [Mr. VARDAMAN]. I will let the announcement stand for the day.

Mr. SHIELDS entered the Chamber and voted "nay."

Mr. JAMES (after having voted in the negative). The Senator from Tennessee [Mr. SHIELDS] having returned to the Chamber and cast his vote, I withdraw my vote and allow my pair with the Senator from Massachusetts [Mr. WEEKS] to stand.

The result was announced—yeas 16, nays 37, as follows:

YEAS—16.

Chamberlain	Kenyon	Norris	Shafroth
Clapp	Lane	Perkins	Smoot
Cummins	Martine, N. J.	Poindexter	Sterling
Jones	Nelson	Reed	Thomas

NAYS—37.

Bankhead	Hughes	Oliver	Smith, Mich.
Bryan	Kern	Overman	Swanson
Burton	Lee, Md.	Pittman	Thompson
Chilton	Lewis	Pomerene	Thornton
Culberson	McCumber	Ransdell	Townsend
Dillingham	McLean	Sheppard	White
Fall	Martin, Va.	Shields	Williams
Fletcher	Myers	Shively	
Gallinger	Newlands	Simmons	
Hollis	O'Gorman	Smith, Md.	

NOT VOTING—43.

Ashurst	Crawford	Lodge	Stephenson
Borah	du Pont	Owen	Stone
Brady	Goff	Page	Sutherland
Brandegee	Gore	Penrose	Tillman
Bristow	Gronna	Robinson	Vardaman
Burleigh	Hitchcock	Root	Walsh
Camden	James	Saulsbury	Warren
Catron	Johnson	Sherman	Weeks
Clark, Wyo.	La Follette	Smith, Ariz.	West
Clarke, Ark.	Lea, Tenn.	Smith, Ga.	Works
Colt	Lippitt	Smith, S. C.	

So Mr. CUMMINS's amendment was rejected.

Mr. REED obtained the floor.

Mr. CUMMINS. Will the Senator from Missouri pardon me just a moment?

Mr. REED. Certainly.

Mr. CUMMINS. I desire now to offer my amendment as it is printed as a whole, because it expresses my real view; but I shall not ask for a roll call upon it, as it is evident that it would be useless.

The amendment referred to is as follows:

Insert as a substitute for section 8 the following:

"SEC. 8. That it shall be unlawful for any corporation to acquire, own, hold, or control, either directly or indirectly, the whole or any part of the capital stock or other share capital, or any other means of control or participation in the control, of two or more corporations engaged in commerce, and carrying on business of the same kind or competitive in character: *Provided*, That the foregoing shall not be construed to prevent corporations not engaged in commerce acquiring, owning, and holding capital stock or other share capital solely for investment and not using the same in bringing about, or attempting to bring about, a common control of the corporations whose stock or other share capital it owns and holds.

"It shall be unlawful for any corporation engaged in commerce to acquire, own, hold, or control, either directly or indirectly, the whole or any part of the capital stock or other share capital, or any other means of control or participation in the control, of any other corporation also engaged in commerce and carrying on a business of the same kind or competitive in character: *Provided*, That this section shall not apply to banks, banking institutions, or common carriers: *Provided further*, That no order or finding of the court or commission in the enforcement of this section shall have any force or effect, nor be admissible as evidence in any suit, civil or criminal, brought under the act of July 2, 1890, entitled 'An act to protect trade and commerce against unlawful restraints and monopolies.'"

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Iowa.

The amendment was rejected.

Mr. REED. Mr. President, I offer the amendment which is printed on page 39 of the print of amendments.

The VICE PRESIDENT. The amendment proposed by the Senator from Missouri will be stated.

The SECRETARY. It is proposed to add as a new section the following:

SEC. —. That the attorney general of any State may, at the cost of the State, bring suit in the name of the United States to enforce any of the antitrust laws.

Mr. REED. Mr. President, I hope this amendment will receive the favorable consideration of the Senate.

Mr. GALLINGER. Mr. President——

The VICE PRESIDENT. Will the Senator from Missouri yield to the Senator from New Hampshire?

Mr. REED. I yield.

Mr. GALLINGER. As a layman I want to ask the Senator from Missouri if this is not an entire innovation? Have we legislated along this line in reference to any other matter?

Mr. REED. Mr. President, I think that this is an innovation, and I am very desirous of an innovation in the matter of the enforcement of the antitrust act. I had a document the other day which was sent here from the Attorney General's office, the general import of which was that there has not been a very vigorous enforcement of the antitrust law for a good many years. I can see no legitimate objection to permitting the attorneys general of the various States, at the expense of the respective States, to bring suits in the name of the Federal Government to enforce this law. Under this bill as it is now framed there are broad rights given for securing witnesses and for obtaining evidence. I think there may be many cases where the attorney general of a State would bring a suit and avail himself of these rights.

Moreover, I believe it to be a wholesome thing that, instead of the enforcement of this great law being reposed simply in one overworked office, the attorneys general of the various States might utilize the law. I believe we would have a better enforcement of the law. The sooner this law is enforced the better it will be for the people and the better it will be for business, because the longer business institutions and business men continue to form combinations the more complicated the situation will become and the worse it will be for them in the end. The day of reckoning may be put off, but that a day of reckoning is coming is, to my mind, as certain as fate itself.

Mr. GALLINGER rose.

Mr. REED. I yield to the Senator from New Hampshire.

Mr. GALLINGER. Mr. President, any question which I propound will be solely for information. I will ask the Senator from Missouri, if this amendment is agreed to, if the result will be that the attorneys general of the various States, if they bring suit in the name of the United States, will prosecute such suits without any reference to or aid from the Department of Justice? Will it be purely a State prosecution?

Mr. REED. It would be, unless some Senator sees fit to offer an amendment providing otherwise. I understood the Senator from West Virginia had an amendment which he desired to offer to this amendment, and if he desires to do so I will yield for that purpose.

Mr. JONES. I should like to ask the Senator from Missouri, referring to what he has said as to the cost to the State, what cost would the State be expected to bear under his amendment? Would that mean the cost of witnesses and all that sort of thing?

Mr. REED. It means whatever cost would otherwise fall upon the National Government, if the Government brought the suit direct, would in this case fall upon the State, the attorney general of the State taking the responsibility.

Mr. NELSON. Mr. President, I wish to suggest that it is very important that such an amendment as this should be adopted. Minnesota had an experience in the Northern Securities case. The State brought suit under the antitrust law, but it was ruled out by the Supreme Court, and we secured no relief until the Attorney General of the United States directed the United States attorney for the district of Minnesota to move in the case. If Senators will look up the decision of the Supreme Court in the Minnesota case, they will find that that case was ruled out of court; but if the attorney general of the State had not moved in the case, we should not have secured any relief at all.

Mr. CULBERSON. Mr. President, I ask the Senator from Minnesota if the ruling of the court was not based upon the antitrust law of 1890?

Mr. NELSON. The suit was based on the antitrust law of the United States, and also on the antitrust laws of the State of Minnesota—on both laws.

Mr. LEWIS. Mr. President, I have this suggestion to make: I recognize the virtue that might flow from such a provision as the Senator from Missouri seeks to incorporate in the bill; I also recognize the remedy and the advantage that sometimes would follow from it; but I have this fear regarding it: We can not keep partisan political government out of this Nation; it is based upon that theory. You will have a Republican Attorney General of the United States with Democratic State attorneys general; you will have a Republican Attorney General instituting litigation not in harmony with the Democratic State attorneys general, and perhaps founded on political considerations. You will have a conflict ceaselessly going on, the public being ground between the upper and the nether millstones. With a

Democratic Attorney General and Republican attorneys general of the States, you will have the condition reversed, but with the very same conflict and confusion. It appears to me, therefore, that unless you can adjust this whole system in such manner that it shall be under the supervision of the Attorney General of the United States, of whatever party, you would have no system, no harmony; you would merely have conflict and no results finally.

Furthermore, it is not within the power of the Federal Congress to authorize suits to be brought by attorneys general of the States and charge the expenses to the States. The Federal Congress, as I see it, can not proceed to create a burden upon a State, and put an obligation upon a State as a State which it has not itself assumed in the exercise of its duties and make it bear expenses and obligations which it has neither incurred by the direction of its voters nor by the volition of its legislature. Therefore, any suit brought, as I conceive it, by the attorney general of any State in the name of the Federal Government must be for the uses of the Federal Government; and therefore the expenses and burden must be borne by the Federal Government. If a suit is brought by a State as a State, then it should be separate from any connection with the Federal Government and should be conducted wholly for and in behalf of the State.

Mr. GALLINGER. Mr. President——

Mr. LEWIS. I yield to the Senator from New Hampshire.

Mr. GALLINGER. I am asking the question for information as a layman. I want to ask the Senator from Illinois, whose grasp of the situation appeals to me, if the States are in their individual capacities to prosecute suits under the antitrust laws, if there is not great danger of having a diversity of conclusions? The State of New Hampshire, we will say, prosecutes under a certain provision of the antitrust law and fails to convict; the State of Illinois prosecutes and secures a favorable decision. Would not that be a very confusing situation, so far as the enforcement of the antitrust law is concerned? Of course, if it is left to the Department of Justice or to the General Government, there is but one conclusion to be reached, either favorable or unfavorable, and there is no diversity of finding. That appeals to me as a possibility that we ought not to overlook.

Mr. LEWIS. Mr. President, I am very much impressed with the possibility of just such confusion, and I fear that if we adopt the amendment, instead of producing results desired we would have constant conflicts and interlocking difficulties and that there would be almost a paralysis in the procedure.

I, however, feel that a provision which authorizes the attorney general of a State to bring suit, with the consent of the Attorney General of the United States, or in the name of himself and the Attorney General, might be acceptable; but I can not see that it would be prudent. Indeed, I think I see much conflict and much confusion, and, indeed, much disaster in the results if the attorney general of each State is allowed to institute proceedings under this law, without any regard to what the Attorney General, carrying out the policy of the national legislation, may have to say upon the subject. For that reason I am inclined against the amendment, out of my fears as I have expressed them.

Mr. WHITE. Mr. President, I do not think it would be wise to adopt this amendment. The States have different policies; they are interested in different ways. One State might be interested in perpetuating certain conditions. I myself would be a little afraid of New Jersey, the reputed mother of trusts, to say nothing of all the other States. In order to prevent the Federal Government from accomplishing anything, and to tie the Attorney General's hands, a proceeding might be instituted in New Jersey or some other State, and the court having acquired jurisdiction, and the Attorney General of the United States undertook to proceed elsewhere, the pendency of the first suit might be pleaded in abatement to second action. The first suit then pending might continue to pend, and it might never end. The persons in control might not want it to end. Therefore I do not think it at all wise to adopt this amendment. I readily concur in the suggestion of the Senator from Illinois along this same line that its adoption would create confusion.

There is another consideration, Mr. President. It would remove the responsibility for the enforcement of Federal laws from the Attorney General and the district attorneys, where that responsibility properly belongs. That ought not to be permitted. Conditions should not be created which would permit them to escape the responsibility placed on them for enforcing Federal statutes.

In addition to that, Mr. President, this is an innovation. This Government has now been in existence for more than a hundred years, and we have never yet seen proper to turn over the enforcement of Federal statutes to the States or to attorneys general of the States, nor have the States seen proper to turn over to the Federal Government the enforcement of State statutes. I believe in keeping the States and the Federal Union separate and distinct. Let each one operate in its own sphere uninterrupted and uninfluenced by any action of the other.

Mr. CLAPP. Mr. President, answering the suggestion of the Senator from New Hampshire [Mr. GALLINGER], I do not see how, in the last analysis, there would be any more diversity of result than under the present system. The suits contemplated, of course, would have to be brought in the Federal court; but in the end the decision of the Supreme Court, the views of the Supreme Court, the policy worked out by the Supreme Court, would prevail. So we would have in the end a uniformity of decision and opinion.

Answering one objection of the Senator from Illinois [Mr. LEWIS], this amendment does not seek to impose upon any State a burden. Of course, Congress could not do that. The most that this amendment does is to grant a privilege to the States. If the attorney general of a State, acting in connection with and on behalf of the people of his State, sees fit to bring a suit, it is brought at the expense of the State. The Senator is quite right, of course, in saying that Congress can not impose that duty or that burden on a State; but all that Congress does under the amendment is to permit the State the opportunity.

Mr. President, I am not in sympathy with the argument that a man who is the Attorney General of the United States and a man who is attorney general of a State can not be trusted to work together because one belongs to one political party and the other belongs to another political party. The attorney general of the State has the same purpose, the same incentive, the same duty as the Attorney General of the United States, even though he may not belong to the same political party to which the Attorney General of the United States belongs. It has, it seems to me, come to a pass when we may well ask ourselves, Are we not carrying the fetish of party too far to say that it is not safe to intrust two men with the discharge of a coordinate duty because one calls himself by one political name and the other calls himself by another political name?

Nor do I fear that the Attorney General of the United States would lose anything. He is the one who is naturally in possession of all the facts, being at the head of the legal department of the Federal Government; and if he wants to act, he would undoubtedly have abundant time in which to act; but, Mr. President, we have been confronted with one case where both officers were of the same political party, and yet had it not been for the activity of the attorney general of the State it is doubtful whether any proceeding would have been brought at all. It was the activity of the attorney general of the State, living in close contact with the people, and knowing from his everyday experience of the conditions of the State that led him to make the first move in that proceeding. The attorney general of a State, being among the people who directly and primarily suffer at the hands of the violators of the antitrust law, it seems to me, can well be given the authority to bring a suit; and he would, of course, bring it, as a rule, only when the Attorney General of the United States had failed or neglected to do so.

There is one suggestion made, and that is, that it is an innovation. It is an innovation, and I hope there will be more innovations. I hope more and more the people of this country in their localities can have access to the instrumentalities of our Government by which the law can be enforced in their midst, without having to await the action or depend upon the decision of an Attorney General in the city of Washington.

That is not said as any reflection whatever upon any Attorney General. It is based upon the broad proposition that the nearer you can bring government to the people in whose interest government is to be administered, the more surely government is bound to reflect the will, the purpose, and the interest of the people.

I hail this as an innovation. I hope the motion will prevail, and I hope it will be the forerunner of other innovations making the Government and its great instrumentalities and its great powers more and more responsive to and reflective of the will, the purpose, and the interest of the people throughout the various sections of this Union.

Mr. NELSON. Mr. President, there is not the novelty or innovation in this matter that Senators suppose. The contractors on public buildings and those who make river and harbor improvements are required to give bond as security for the faithful performance of their contracts and for the payment of the bills of all subcontractors and material men. If they fail in that respect, under the law the people who suffer

from such failure, whether they are subcontractors or material men, may bring suit on the bond in the name of the United States. If cases of that kind can be brought in mere matters relating to material and the wages of laboring men, why should we not allow the same privilege in a case of this kind, which concerns the welfare of all the people of the United States?

Away back in the early nineties the State of Minnesota brought suit in its own name to enforce not only its own antitrust law but also the Federal antitrust law. In that case, when it reached the Supreme Court, the court took the view not only that the suit could be brought only in the name of the United States, which was perhaps correct, but that it could be brought only at the instance of the Attorney General of the United States. In other words, under the law as it has been construed by the Supreme Court, a United States district attorney can move in the matter only when he acts under the direction and at the instance of the Attorney General of the United States.

In the Minnesota case we started this suit, and the Supreme Court turned us down; and it was only because the governor of the State of Minnesota and the governors of other States similarly interested came down here and saw the President, and as a result of their special efforts with the President of the United States—Mr. Roosevelt at that time—that they got the Attorney General to bring the suit which was finally decided in the Supreme Court of the United States in favor of the Federal Government.

Now, it may happen that we shall have a President or an Attorney General who is loath to prosecute in these cases. In that event, the parties affected—the people of the State—will be utterly helpless. We were fortunate in this case that President Roosevelt, after an interview with our governor and the governors of several other Northwestern States, did order the Attorney General of the United States to institute the suit. While it was done at the instance and in the name of the Attorney General of the United States and the district attorney of Minnesota, yet in that case it was President Roosevelt who really directed it. We may not always in the future have a President as willing as President Roosevelt was in that case to institute action. For that reason, if this law is a good law, if we believe in the efficacy of the antitrust law, if we believe in its continued enforcement, let us leave it so that the States can enforce it in the name of the United States if the Federal Government fails to move.

Mr. WALSH. Mr. President, there is a peril in this amendment that ought not to be overlooked. There are 48 different attorneys general in the United States. Among them, I have no doubt, there are many very excellent, very capable, and very efficient men; others, I dare say, who are entirely indifferent; and still others who are quite unequal to the task of conducting a vigorous prosecution against a great combination alleged to exist in violation of the Sherman Antitrust Act. Yet any one of these 48 attorneys general may start in at any time, illy equipped as he may be, and begin an action by the United States against some great, powerful trust, anticipating the action which eventually would be taken by the Attorney General of the United States, with the corps of able assistants with which he is provided, and the attorney general of the State may do the very best he is able to do, and yet he is laboring under a decided disadvantage. Moreover, Mr. President, leaving out of consideration the want of qualifications from which he may suffer, he is handicapped in the matter of accumulating the evidence that is necessary in order to obtain a successful result in one of these prosecutions under all ordinary circumstances.

Everybody recognizes that every one of these actions is a great, tremendous task; that the evidence ordinarily adduced is voluminous in character. It is accumulated from witnesses from all parts of the country. The attorney general of a State is not equipped to get that evidence. Why, we have a bureau of the Government here, the Bureau of Corporations, charged with the express duty of gathering up the evidence in these cases to put in the hands of the Attorney General in order that there may be a vigorous prosecution; and in the preparation of one of these cases the whole power of the great Government of the United States is pitted against the almost equal power of the defendant that is called to bar. The attorney general in a small State, with the equipment at his command and with the resources that he is able to control in order to try a case of this kind, is at a pitiable disadvantage.

Mr. REED. Mr. President, may I ask the Senator a question?

Mr. WALSH. Just as soon as I complete the idea, if the Senator pleases. Yet, Mr. President, one so illy equipped may go in and start a suit in the name of the United States, and being defeated in the action the judgment becomes absolutely conclusive. The hands of the Attorney General are thereafter tied, and he will be unable to utilize the forces of his office to bring again the same suit.

For instance, a criminal prosecution is instituted. The defendant is charged at the suit of the Government of the United States. I very seriously question whether the attorneys general of the States would be able to handle the machinery so as to prosecute under the criminal provisions of the act; but if they should prosecute civilly, the judgment even then would have the conclusive force of an estoppel against further prosecutions embodying the same facts.

I gladly yield to the Senator from Missouri.

Mr. REED. I wish to ask the Senator if it is not a fact that the most potential enforcement we have had of the antitrust law, the most successful result, has been by the attorneys general of States?

Mr. WALSH. I should hardly like to admit that. Of course, we all know that some very vigorous prosecutions and some very successful prosecutions have been carried on by the eminently able attorneys general of the State represented by the Senator who has just spoken—Attorney General Hadley and Attorney General Crow of his State. The Senator's State has had men of high character and excellent attainments; but you must bear in mind that we are not legislating for conditions such as obtain in the State of Missouri, but for the conditions which obtain all over the Union.

Mr. REED. I call the Senator's attention to the great State of Texas, where they have driven out monopoly after monopoly.

Mr. WALSH. Yes; the Senator has called my attention to two; but the force of my argument is not in the least disturbed—that there are many States in which they have excellent attorneys general, but others in which we must admit that they are not equal to the task.

Then, Mr. President, in view of that situation of affairs, is it at all strained to conceive that some one of these great corporations would in some way or other move a prosecution against itself in some particular State where it would be at a very decided advantage, and there secure a judgment of which it might avail itself in a subsequent prosecution that might be brought against it by the Attorney General of the United States?

I believe we can scarcely afford to take the chances involved in the adoption of this amendment.

Mr. KENYON. Mr. President, it seems to me the Senator from Missouri ought to change the amendment to meet the objections which were raised by the Senator from Illinois [Mr. LEWIS], which certainly are of great force.

I want to suggest to the Senator from Missouri that he provide that the action can not be brought if an action is pending by the Government growing out of the same facts and circumstances, and provide further that the attorney general of the State can not bring the action until he has requested the Attorney General of the United States himself to proceed.

While I have not worded this very carefully, I will offer it as an amendment to the Senator's amendment:

Provided, That suit is not at the same time pending at the instigation of the Government growing out of the same facts: *And provided further*, That the attorney general of the State has, 60 days before commencing suit, requested the Attorney General of the United States to bring suit.

Mr. REED. Mr. President, I see no objection to that amendment. Answering the Senator from Iowa in his time, not mine——

Mr. KENYON. I do not know that that is as aptly worded as it might be. I have just drawn it here at the desk, but I think it covers the point.

Mr. REED. I will say to the Senator that the only thing I seek to accomplish is to give to the various States the benefits of this legislation and to devise a plan by which the attorneys general of the States can avail themselves of it.

As the Senator says his amendment is not in exact form, I suggest that it is within five minutes of recess time. I think this is an important matter, and I should think it might go over until morning.

Mr. McCUMBER. Mr. President——

Mr. REED. I will say to the Senator that I have not the floor, although I shall be glad to answer any questions.

Mr. McCUMBER. I want to suggest to both the Senators that I do not think the first proposition of the Senator from Iowa is at all necessary, as the officer of the State must bring the action in the name of the United States, and two actions between the same parties for the same thing could not be pending in the same court at the same time.

Mr. KENYON. They could be brought, however.

Mr. McCUMBER. Even if they were brought, the court would be compelled to dismiss the one or the other.

Mr. KENYON. That might be true.

Mr. McCUMBER. And the one which first acquired jurisdiction would go on.

Mr. KENYON. But it would result in endless confusion to have suit brought both by the State and by the Government.

Mr. McCUMBER. I think the latter proposition is very timely, and ought to be placed in the bill as an amendment.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Vice President:

H. R. 1657. An act providing for second homestead and desert-land entries; and

H. R. 7967. An act to amend an act approved June 25, 1910, authorizing a postal savings system.

PETITIONS AND MEMORIALS.

Mr. PERKINS presented a petition of the Chamber of Commerce of Blythe, Cal., praying for the enactment of legislation to provide assistance to the cotton growers of Palo Verde Valley, Cal., in the harvesting of their cotton, which was referred to the Committee on Agriculture and Forestry.

Mr. SWANSON presented petitions of sundry citizens of Omega, Chatham, Dryfork, Victoria, Lone Oak, and Runnymede, all in the State of Virginia, praying for the enactment of legislation to provide for personal rural credit, which were referred to the Committee on Banking and Currency.

Mr. NELSON presented a memorial of sundry citizens of Minneapolis, Minn., remonstrating against an increase in the tax on cigars, etc., which was referred to the Committee on Finance.

He also presented a memorial of the Woman's Home Missionary Society of the Methodist Episcopal Church, of Duluth, Minn., remonstrating against the enactment of legislation to allow railroads to be placed near the Sibley Hospital, Washington, D. C., which was referred to the Committee on the District of Columbia.

Mr. SHIVELY presented a memorial of Cigarmakers' Local Union, No. 54, of Evansville, Ind., remonstrating against the proposed increase in the revenue tax on cigars, which was referred to the Committee on Finance.

He also presented a petition of Cigarmakers' International Local Union, No. 54, of Evansville, Ind., favoring the taking over by the Government as an emergency measure the packing plants, cold-storage warehouses, granaries, flour mills, and such other plants and industries as may be necessary to safeguard the food supply of the people of this country during the war in Europe, etc., which was referred to the Committee on Finance.

RAILWAY MAIL PAY.

Mr. BANKHEAD. I ask unanimous consent to introduce a bill for reference. The bill has been prepared by a joint committee of the two Houses to investigate the question of railway mail pay. I desire to introduce it and to have it referred to the committee.

The bill (S. 6405) authorizing and directing the Postmaster General to readjust the compensation of steam railroad companies for the transportation of mail was read twice by its title and referred to the Committee on Post Offices and Post Roads.

Mr. BANKHEAD. I also present the report of the Joint Committee on Postage on Second-Class Mail Matter and Compensation for Transportation of Mails, which I ask to have referred to the Committee on Printing.

The VICE PRESIDENT. Is there any objection? The Chair hears none, and it is so ordered.

TITLE TO HOMESTEAD ENTRY.

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 11745) to provide for certificate of title to homestead entry by a female American citizen who has intermarried with an alien, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. SMOOT. I move that the Senate insist upon its amendment and agree to the conference asked for by the House, the conferees on the part of the Senate to be appointed by the Chair.

The motion was agreed to, and the Vice President appointed Mr. MYERS, Mr. THOMAS, and Mr. SMOOT conferees on the part of the Senate.

DAVID TAYLOR.

The joint resolution (H. J. Res. 327) to correct error in H. R. 12045 was read twice by its title.

The VICE PRESIDENT. The joint resolution will be referred to the Committee on Pensions.

Mr. SMITH of Michigan. Mr. President, the joint resolution is merely to correct a typographical error in a pension bill which has been passed by both Houses, and I should like to ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there any objection to the request for the present consideration of the joint resolution without its being referred to the Committee on Pensions?

Mr. SMOOT. Under the rules, being a joint resolution, it will have to go to the committee. The committee can report it out promptly, I have no doubt.

Mr. SMITH of Michigan. I should like to have it acted upon promptly.

The VICE PRESIDENT. The joint resolution will be referred to the Committee on Pensions.

Mr. SHIVELY subsequently said: From the Committee on Pensions I report back favorably without amendment the joint resolution (H. J. Res. 327) to correct error in House bill 12045.

Mr. SMITH of Michigan. I ask unanimous consent for the present consideration of the joint resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which was read as follows:

Whereas by error in printing H. R. 12045, reported by the House Committee on Invalid Pensions, act approved July 1, 1914 (Private, No. 50), makes the designation of the military service of one David Taylor, late of Company B, Fourth Regiment Michigan Volunteer Infantry, to read "Company B, Fourteenth Regiment Michigan Volunteer Infantry": Therefore be it

Resolved, etc., That the paragraph in H. R. 12045, approved July 1, 1914 (Private, No. 50), granting an increase of pension to one David Taylor, be corrected and amended so as to read as follows:

"The name of David Taylor, late of Company B, Fourth Regiment Michigan Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving."

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BUREAU OF WAR RISK INSURANCE.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 6357) to authorize the establishment of a bureau of war-risk insurance in the Treasury Department, which were, on page 1, to strike out lines 3, 4, and 5, and lines 1 to 7, inclusive, on page 2, and insert:

That there is established in the Treasury Department a bureau to be known as the bureau of war risk insurance, the director of which shall be entitled to a salary at the rate of $5,000 per annum.

On page 3, line 15, after "Treasury," to insert "but not to exceed $25 a day each, while actually employed."

On page 4, line 12, after "insurance," to insert "including the payment of salaries herein authorized and other personal services in the District of Columbia."

On page 4, to strike out lines 15 to 19, inclusive, and insert:

SEC. 9. That the President is authorized whenever, in his judgment, the necessity of further war insurance by the United States shall have ceased to exist, to suspend the operations of this act in so far as it authorizes insurance by the United States against loss or damage by risks of war, which suspension shall be made, at any event, within two years after the passage of this act, but shall not affect any insurance outstanding at the time or any claims pending adjustment. For the purpose of the final adjustment of any such outstanding insurance or claims, the bureau of war-risk insurance may, in the discretion of the President, be continued in existence a further period not exceeding one year.

On page 4, after line 19, to insert:

SEC. 10. That a detailed statement of all expenditures under this act and of all receipts hereunder shall be submitted to Congress at the beginning of each regular session.

And, on page 4, line 20, to strike out "10" and insert "11."

Mr. CLARKE of Arkansas. Mr. President, this is what is known as the war-risk insurance bill. The House has made several amendments to the bill which really improve its text and do not in any respect modify or change its policy as indicates in the bill passed by the SSenate. I therefore move that the Senate concur in the House amendments.

The motion was agreed to.

THE EUROPEAN CRISIS.

Mr. OLIVER. Mr. President, I have here two documents which I wish to ask unanimous consent to have printed as one public document. One of these documents is what is known as the British "White Paper," issued by the British Government and containing correspondence respecting the European crisis. The other contains Germany's reasons for war with Russia, issued by the German foreign office. Both of these papers, Mr. President, are of the most intense interest, and I think, taken together, will give a good idea of the stand of each

of the belligerent parties in the present European contest. I therefore ask unanimous consent that they may be printed together as a single public document.

Mr. SHIVELY. Mr. President.——

The VICE PRESIDENT. Is there any objection? The Chair hears none.

Mr. CLARKE of Arkansas. Mr. President, I relied upon the Senator from Indiana [Mr. SHIVELY] to object to the documents being printed without being referred to the Committee on Foreign Relations, and therefore I did not interpose an objection to the request made by the Senator from Pennsylvania. The Senator from Missouri [Mr. STONE], the chairman of the Committee on Foreign Relations, is absent, and as the Senator from Indiana is acting chairman of that committee I did not feel at liberty to make the motion to refer the documents to the committee until he had had the opportunity to do so. I move that the documents be referred to the Committee on Foreign Relations.

Mr. OLIVER. I have no objection whatever to the documents taking that course.

The VICE PRESIDENT. The documents will be referred to the Committee on Foreign Relations.

RECESS.

Mr. CULBERSON. I move that the Senate take a recess until to-morrow morning at 11 o'clock.

The motion was agreed to; and (at 5 o'clock and 55 minutes p. m., Monday, August 31, 1914) the Senate took a recess until to-morrow, Tuesday, September 1, 1914, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

MONDAY, *August 31, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father in heaven, lead us, we beseech Thee, by Thy spirit into the realms of higher thought, that the godlike in our being may blossom into golden deeds which Thou canst look upon with Thine approving smile; that we may thus glorify Thee, honor ourselves, and add dignity to this body, which should ever be the highest intellectual, moral, and spiritual reflection of the great people whom it represents. This we ask, in the spirit of the Lord Jesus Christ. Amen.

The SPEAKER. The Clerk will read the Journal.

Mr. BUTLER. Mr. Speaker, I make the point of order that no quorum is present.

The SPEAKER. The gentleman from Pennsylvania makes the point of order that no quorum is present, and evidently there is not.

Mr. UNDERWOOD. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were ordered to be closed and the Sergeant at Arms to notify the absentees.

The Clerk called the roll, and the following Members failed to answer to their names:

Adair	Esch	Hoxworth	Oglesby
Aiken	Estopinal	Jones	O'Leary
Ainey	Evans	Kelley, Mich.	O'Shaunessy
Allen	Fairchild	Kent	Patten, N. Y.
Ansberry	Faison	Kiess, Pa.	Peters
Anthony	Farr	Kindel	Porter
Aswell	Fess	Kinkaid, Nebr.	Powers
Austin	Flood, Va.	Kinkead, N. J.	Ragsdale
Bartlett	Fowler	Knowland, J. R.	Rainey
Bell, Ga.	Gallivan	Korbly	Riordan
Brodbeck	Gardner	Kreider	Rubey
Brown, N. Y.	George	Lazaro	Sabath
Browne, Wis.	Gittins	L'Engle	Saunders
Browning	Glass	Lenroot	Scully
Byrnes, S. C.	Goeke	Lesher	Shackleford
Calder	Goldfogle	Levy	Sherley
Carew	Gordon	Lewis, Pa.	Slemp
Chandler, N. Y.	Graham, Ill.	Lindquist	Smith, Md.
Church	Graham, Pa.	Loft	Smith, N. Y.
Cline	Griest	Lonergan	Steenerson
Covington	Griffin	McClellan	Stevens, N. H.
Cramton	Guernsey	McGillicuddy	Stringer
Crisp	Hamilton, N. Y.	Mahan	Switzer
Dershem	Hardwick	Martin	Taylor, N. Y.
Dies	Hart	Merritt	Thomson, Ill.
Dixon	Haugen	Metz	Treadway
Donovan	Helm	Montague	Underhill
Dooling	Hensley	Morgan, La.	Vare
Eagle	Hill	Morin	Wallin
Edmonds	Hinds	Mott	Watkins
Elder	Hobson	Murdock	Wilson, N. Y.

The SPEAKER. On this call 307 Members—a quorum—have answered to their names.

Mr. UNDERWOOD. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

The Journal of the proceedings of Saturday last was read and approved.

EUROPEAN DIPLOMATIC CORRESPONDENCE.

Mr. MOORE. Mr. Speaker, I ask unanimous consent to have printed as a House document the official correspondence respecting the European crisis, as presented to both houses of Parliament by command of His Majesty the King of England, at the beginning of hostilities on the other side of the water.

The SPEAKER. The gentleman from Pennsylvania asks to have printed as a House document the official correspondence of various nations of the Old World now engaged in war. Is there objection?

Mr. GARRETT of Tennessee and Mr. FITZGERALD objected.

Mr. MOORE. Will the gentlemen reserve their objections?

Mr. GARRETT of Tennessee. Mr. Speaker, I do not think it is at this time proper to insert in any official publication of any branch or department of this Government correspondence or papers referring to or discussing the reasons for the European war. For that reason I object.

Mr. MOORE. I ask the gentleman to reserve his objection that I may make a short statement. I think the gentleman from Tennessee and I are agreed upon the desirability of not agitating this subject.

Mr. GARRETT of Tennessee. I do not wish to be discourteous to the gentleman from Pennsylvania, but I do not believe there should be any statement upon the floor of the Congress referring to the merits or demerits, the causes or lack of causes, of the present war among the European nations.

Mr. MOORE. Does the gentleman from Tennessee object to having a motion made that this go to the Committee on Foreign Affairs? It is a matter of information only.

Mr. GARRETT of Tennessee. I do object to that. Let us in this official body be careful to preserve neutrality in spirit and in fact.

Mr. MOORE. The matter was brought to the attention of the State Department and the German Embassy. There has been so much misinformation about the facts leading up to the war that the publication of these official diplomatic letters and telegrams may help to clear up the situation.

Mr. GARRETT of Tennessee. For the reasons already stated, and which I believe to be good, I object.

The SPEAKER. The gentleman from Tennessee objects.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 4920. An act to increase the cost of construction of Federal building at Pocatello, Idaho.

The message also announced that the Senate had passed without amendment joint resolution of the following title:

H. J. Res. 327. Joint resolution to correct error in H. R. 12045.

The message also announced that the Senate had insisted upon its amendments to the bill (H. R. 11745) to provide for certificate of title to homestead entry by a female American citizen who has intermarried with an alien, disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. MYERS, Mr. THOMAS, and Mr. SMOOT as the conferees on the part of the Senate.

The message also announced that the Senate had agreed to the amendments of the House of Representatives to the bill (S. 6357) to authorize the establishment of a bureau of war risk insurance in the Treasury Department.

SENATE BILL REFERRED.

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 4920. An act to increase the cost of construction of Federal building at Pocatello, Idaho; to the Committee on Public Buildings and Grounds.

COMPENSATION FOR TRANSPORTATION OF THE MAILS (H. DOC. NO. 1155).

Mr. TUTTLE. Mr. Speaker, I desire to make a report from the joint committee on second-class mail matter and compensation for transportation of the mail.

The SPEAKER. The Clerk will report.

The Clerk read as follows:

Report of the joint committee on postage on second-class mail matter and compensation for transportation of the mails.

Mr. TUTTLE. Mr. Speaker, this report simply covers the compensation of railroads for transportation of the mail, which was a part of the work of the commission. The report for the balance of the work will be submitted later.

Mr. MANN. I take it, Mr. Speaker, that the report will be ordered printed and referred to the Committee on the Post Office and Post Roads.

The SPEAKER. It is ordered printed and referred to the Committee on the Post Office and Post Roads.

ORDER OF BUSINESS.

Mr. UNDERWOOD. Mr. Speaker, I am anxious that the House may have an opportunity to dispose of the entire Unanimous Consent Calendar before we reach an adjournment. I am satisfied that to-morrow can be occupied in that way without seriously inconveniencing public business, and I ask unanimous consent that business in order on the first and third Monday of each month shall be in order to-morrow after the reading of the Journal.

Mr. FERRIS. Mr. Speaker, reserving the right to object, which I do not intend to exercise, I want to call the attention of the House to the fact that the Alaskan coal bill has come to be almost an emergency. I have telegrams addressed to the Secretary of the Interior and myself from the governor and all the chambers of commerce up there, asking that something be done in regard to the Alaskan coal situation. They are about to be cut off from their only supply, which is Canada. I urge that no more matters be put in ahead of the Alaskan coal bill.

The SPEAKER. Is there objection?

Mr. JOHNSON of Kentucky. Mr. Speaker, reserving the right to object, I think there is somewhat of a discrepancy between the statement made by the gentleman from Alabama and his final request. In the statement he says that he wants to get up the unanimous-consent business, but he finally asks that to-morrow shall be set aside so that there may be motions to suspend the rules.

Mr. UNDERWOOD. I will say to the gentleman from Kentucky that I did not state that I only wanted to get up the unanimous-consent business. I said I wanted to dispose of the Unanimous Consent Calendar; but I will also state that there is a bill on the calendar known as the Lubin resolution which a great many people in the country are much interested in. I am hoping late to-morrow afternoon, if this order is agreed to, that the Speaker will allow that to come up under a motion for suspension if it is not already reached under the Unanimous Consent Calendar.

Mr. JOHNSON of Kentucky. Would the gentleman be willing to include that limitation in his request?

Mr. UNDERWOOD. I would prefer to leave the question to the Speaker. I do not think he is going into motions to suspend the rule. Of course, I would have to do it if the gentleman objects. I hope the gentleman will not insist on his objection, but leave that to the Speaker.

I can assure the gentleman that I do not think suspensions generally are going to be taken up.

Mr. JOHNSON of Kentucky. I will not object.

The SPEAKER. Is there objection?

There was no objection.

STANDARD BOX FOR APPLES.

The SPEAKER. The Chair lays before the House the bill (S. 4517) to establish a standard box for apples, and for other purposes. The Chair will ask the gentleman from Ohio [Mr. ASHBROOK] if a similar bill is on the House Calendar?

Mr. ASHBROOK. There is.

The SPEAKER. The Clerk will report the bill.

The Clerk began the reading of the bill.

Mr. TAYLOR of Colorado. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. TAYLOR of Colorado. How does that bill get in at this time?

The SPEAKER. It gets in under the rule.

Mr. TAYLOR of Colorado. What rule?

The SPEAKER. The rule that there are two classes of business which you can lay before the House straight from the Speaker's table. One of them is a Senate bill, where a House bill of similar tenor has been reported and is on the calendar.

Mr. TAYLOR of Colorado. That House bill has not been considered by the House.

The SPEAKER. It is not necessary for the House to consider it. It must be on the calendar, and if this Senate bill is passed, then the House will, by unanimous consent, lay the House bill on the table.

Mr. TAYLOR of Colorado. Is this bill in order at this time?

The SPEAKER. It is in order.

Mr. TAYLOR of Colorado. A bill that affects all the apples in the country?

The SPEAKER. It does not make any difference what it affects.

Mr. TAYLOR of Colorado. Has this bill ever been before the committee?

The SPEAKER. You can not make rules for special bills. A rule has to be general.

Mr. TAYLOR of Colorado. Has the committee ever authorized the consideration of this bill or reported it?

The SPEAKER. The House bill is already on the calendar.

Mr. TAYLOR of Colorado. I know; but the Senate bill is not necessarily the same as the House bill.

The SPEAKER. But it happens to be in this particular case, so the gentleman from Ohio [Mr. ASHBROOK] says.

Mr. TAYLOR of Colorado. This is the Senate bill and not the House bill.

Mr. ASHBROOK. The bill is exactly the same. There is one amendment. Otherwise it is the same as the House bill submitted by the committee.

Mr. GARRETT of Tennessee. Is the House bill on the Union Calendar?

The SPEAKER. It is on the House Calendar.

Mr. GARRETT of Tennessee. Then it is in order.

Mr. TAYLOR of Colorado. I want to ask the gentleman whether the committee has directed him to call this up.

The SPEAKER. If the House objects to the consideration of the bill, then the Chair will have to refer it to the committee.

Mr. TAYLOR of Colorado. I certainly object.

The SPEAKER. But we have not got to the place where the gentleman can object.

Mr. TAYLOR of Colorado. All right then.

Mr. SCOTT. Mr. Speaker, has there been any direction from the Committee on Coinage, Weights, and Measures that this bill be considered?

The SPEAKER. What committee does this bill come from?

Mr. ASHBROOK. The Committee on Coinage, Weights, and Measures.

The SPEAKER. Now, what is the gentleman's question?

Mr. SCOTT. The question is, Has the Committee on Coinage, Weights, and Measures directed that this bill be taken up?

Mr. TAYLOR of Colorado. Or authorized it?

Mr. ASHBROOK. Mr. Speaker, I will say that the Committee on Coinage, Weights, and Measures have not considered the Senate bill, but they have considered House bill 11178.

Mr. TAYLOR of Colorado. Has the Committee on Coinage, Weights, and Measures authorized the gentleman to bring it up?

Mr. ASHBROOK. The Committee on Coinage, Weights, and Measures has not authorized me to bring up the Senate bill.

Mr. TAYLOR of Colorado. That is what I mean.

Mr. ASHBROOK. But it is on the calendar.

Mr. TAYLOR of Colorado. I insist that it has not authorized the consideration of this bill.

The SPEAKER. If the gentleman will——

Mr. TAYLOR of Colorado. My understanding is——

The SPEAKER. If the gentleman will give the Chair a chance to rule, he will rule in the gentleman's favor. [Laughter.] The last clause of the rule requires this to be made on motion directed by the committee. Now, if the gentleman from Ohio [Mr. ASHBROOK] will get his committee together and get authorization, then he can get his bill up. Otherwise he can not.

LEAVE OF ABSENCE.

The SPEAKER. The Chair has a request for indefinite leave of absence on account of illness for the gentleman from Illinois, Mr. HOXWORTH, which request is accompanied with a certificate of a physician that it is dangerous for Mr. HOXWORTH to undertake to come to Washington. Is there objection to this request?

There was no objection.

By unanimous consent, leave of absence was granted as follows:

To Mr. BYRNES of South Carolina, indefinitely, on account of sickness.

To Mr. EVANS, for two days, on account of serious illness.

To Mr. WOODRUFF, indefinitely, on account of sickness in his family.

To Mr. LEWIS of Pennsylvania, indefinitely, on account of sickness in his family.

CHANGE OF REFERENCE—PUBLIC LANDS IN LOUISIANA.

By unanimous consent, the Committee on Naval Affairs was discharged from further consideration of the bill (H. R. 18531)

to authorize the Secretary of the Navy to certify to the Secretary of the Interior, for restoration to the public domain, lands in the State of Louisiana not needed for naval purposes, and the same was referred to the Committee on the Public Lands.

COAL LANDS IN ALASKA.

The SPEAKER. Under the special rule the House resolves itself automatically into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 14233) to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of H. R. 14233, with Mr. FITZGERALD in the chair.

The CHAIRMAN. Under the rule there are to be six hours of general debate, three hours to be controlled by the gentleman from Oklahoma [Mr. FERRIS] and three hours by the gentleman from Wisconsin [Mr. LENROOT].

Mr. FERRIS. Mr. Chairman, the gentleman from Wisconsin [Mr. LENROOT] is absent from the city on account of sickness, and I ask unanimous consent that the gentleman from Idaho [Mr. FRENCH] have control of the time in his stead.

The CHAIRMAN. The Chair understands that the agreement was that the gentleman from Idaho would control the time if the gentleman from Wisconsin were not here. It does not take unanimous consent.

Mr. DONOVAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DONOVAN. Does the rule require that in general debate remarks shall be confined to the subject matter of the bill?

The CHAIRMAN. Under the rule all debate shall be confined to the subject matter of the bill under consideration.

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that four hours of the debate allotted on this bill be transferred to the succeeding bill, which is the general coal bill.

The CHAIRMAN. The committee can not grant any such request as that.

Mr. MANN. The committee would not have that power.

Mr. TOWNSEND. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TOWNSEND. If it is the sense of the committee that we should not necessarily devote six hours to the discussion of this bill, is there no means by which the committee can curtail that time?

The CHAIRMAN. The rule provides that not exceeding six hours shall be consumed in general debate, but the committee has no authority to provide that the time for general debate fixed in the rule upon some other bill shall be extended beyond the time fixed in the rule. Whenever general debate upon this bill is exhausted the bill will be read under the five-minute rule.

Mr. FERRIS. Mr. Chairman, as the House is well aware, this is the Alaska coal leasing bill, intended to go as a companion bill to the Alaskan railroad bill, so that the Alaska coal fields may be opened and before proceeding with the debate, I desire to read two or three telegrams and letters from the Alaskan people showing the dire necessity for legislation along this line, so that the House may know something about the demands up there. These communications quite well, I think, show the pressing need not only for legislation but for early legislation. These communications are as follows:

HAINES, ALASKA, *August 14, 1914.*

Hon. FRANKLIN K. LANE,
Secretary of the Interior, Washington, D. C.:

Request that Alaska coal lands be opened: British Columbia supply liable to be cut off. Good chance Alaskans establish market.

HAINES CHAMBER OF COMMERCE.

—

JUNEAU, ALASKA, *August 13, 1914.*

The PRESIDENT,
Washington:

Alaskans deem it necessary opening our coal fields on account British Columbia supply liable being cut off, due to war.

JUNEAU CHAMBER OF COMMERCE.

—

CORDOVA, ALASKA, *August 12, 1914.*

Hon. SCOTT FERRIS,
Washington, D. C.:

British Columbia coal, Alaska's only supply, liable to be withheld any day. Can't you give us legislative assistance opening our coal?

CORDOVA CHAMBER OF COMMERCE.

—

TERRITORY OF ALASKA,
GOVERNOR'S OFFICE,
Juneau, August 13, 1914.

SECRETARY OF THE INTERIOR,
Washington, D. C.:

SIR: The necessity for the opening of Alaska coal lands for commercial purposes is emphasized by the war conditions now existing in Europe, and the further fact that the people of Alaska are nearly wholly dependent upon British Columbia for their coal supply. The various commercial bodies of this Territory, and the people generally, are a unit in urging upon the Congress the speedy enactment of such legislation as will have for its object the opening of the Alaska coal fields to development on a commercial basis. No specific bill now before the Congress is urged, it being the chief desire of the people of this Territory to secure such legislation as will permit them to obtain coal, at least for domestic purposes, at home, where a great abundance of it could be mined.

The conditions now being developed because of the war in Europe, and those other conditions which will undoubtably arise during the progress of the conflict, after its close, together with the readjustment of international affairs and conditions, that is bound to follow, all point to the urgent necessity of securing legislation that will permit the development of our coal resources for domestic and industrial purposes, as well as for the use of the Government of the United States. Should the present war be of long continuance it is not unlikely that the coal supply which we now receive from British Columbia might be cut off and a condition would inevitably be created that would be well-nigh calamitous.

Respectfully,

J. F. A. STRONG, *Governor.*

—

CORDOVA, ALASKA, *August 14, 1914.*

Hon. FRANKLIN K. LANE,
Secretary of the Interior, Washington, D. C.

DEAR SIR: We respectfully call your attention to the necessity for immediate action in the matter of throwing open Alaska coal. We do not presume to suggest the method by which this should be done. What we do insist upon is that it is absolutely necessary to open it in some way at once, either through a leasing system, private ownership, or Government operation, to the end that the coal may be used, not only in Alaska, but on the Pacific coast as well.

In support of this proposition we submit that practically all the coal consumed in Alaska, as well as a large percentage of that used on the Pacific coast, comes from British Columbia. Should this supply be cut off through the war now raging over all Europe, our industries, few as they are, will be paralyzed, and widespread desolation will follow.

If Canada herself does not see fit to prohibit the exportation of coal, there is nothing to prevent the nations at war with Great Britain from capturing English coal on the high seas or even destroying the works on the British Columbia coast.

The war has already resulted in a large increase in the price of all foodstuffs and supplies in this northland; and with the decrease in the value of copper, the indications are that these mines will be shut down.

Foreign capital is being withdrawn and the mines operated and developed by this money closed down. As an example we point to the Jualin mine at Juneau and the Mother Lode of the Copper River section, both of which have ceased work since war was declared.

To Alaska the situation is serious, and we believe it is of equal consequence to the United States as a whole.

The coal for naval use on the Pacific has been brought around from the Atlantic. To bring this coal to the Pacific it was necessary to use foreign vessels. These foreign vessels are no longer available. There are no American ships for this purpose. Every vessel that flies the American flag which can by any possibility be used for the purpose will be needed for our over-sea trade, to take the place of foreign ships that have been withdrawn from trade. The opening of Alaska coal is therefore a national necessity. It is a necessary part in the scheme of national defense, and the last few weeks have demonstrated that we can not afford to neglect any possible measure tending to strengthen our national defense.

If it is urged that the coal in Alaska is not suited to naval use, we reply that the test made was simply a test of one vein of coal and is therefore no proof of the field. We confidently assert that the Bering River field has large quantities of coal suitable for naval use, and refer to such eminent geologists as Drs. Brooks and Morton, of the United States Geological Survey, as our authorities.

The Bering River field can be opened and coal placed on the market at Cordova in 90 days from the beginning of construction. A line of railroad 25 miles long, branching from mile 38 on the Copper River & Northwestern Railroad, will reach to the heart of the field.

With these conditions surrounding us, we respectfully ask: "Is it the part of good judgment to longer delay the opening of Alaska coal on some basis, either by a leasing bill of such liberal provisions that American capital will undertake it or by Government operation?"

We appeal to you, who have the power and authority to do this, to give it your earnest and conscientious consideration, believing that you will arrive at the same conclusion that we have, viz, that the opening of Alaska coal is not only an absolute necessity but a duty that Congress should at once perform.

Very respectfully,

CORDOVA CHAMBER OF COMMERCE,
By ——— ———, *President.*
H. G. STEEL, *Secretary.*

I have just presented a letter from the governor of Alaska under date of August 13, addressed to the Secretary of the Interior, which shows the urgent demand for some legislation in Alaska, so that these coal fields may be opened there. I have also some other letters and resolutions, which I shall not read, from Alaskan chambers of commerce, asking that some relief be given. When the Delegate from Alaska, Mr. WICKERSHAM, presents this matter to you a few minutes later he will be able to show you even more cogent reasons for hasty action.

Passing from this, Mr. Chairman, I desire to call attention to conditions in Alaska with reference to the coal, coal lands, their area, and so forth. If I am able to do so, I desire to give you some idea of the conditions in Alaska, some idea of the coal fields in Alaska, some idea of the litigation and trouble they have had up there, and to show you that something is necessary. The total area of Alaska is 590,884 square miles, or one-fifth the size of the United States.

The known areas of coal-bearing rocks of Alaska, according to the Geological Survey, include about 16,000 square miles (12,240,000 acres), and of this 1,210 square miles (774,400

acres) is pretty definitely known to be underlain by workable coal beds.

It is roughly estimated that the Bering and Matanuska fields each contain from one to three billion tons of coal, while it is estimated that the Nenana field contains nine billion tons of lignite coal.

These are conceded to be the main coal fields and the ones that are most accessible. These fields will soon be developed, if Congress will but afford the opportunity. The withdrawals of November, 1906, has brought everything to a standstill.

The House, of course, will be aware that these are but rough estimates of the tonnage, but they were the best estimates that the committee could get from the Geological Survey, and we thought that that was the best place to get information. I repeat, the two main high-grade coal fields in Alaska are the Bering River and the Matanuska. The Tanana coal field referred to in this bill is up near Fairbanks and is a very large field of lignite coal in the interior, but of not such high grade as the two fields nearer the coast, and, of course, less inexhaustible. This field will be used locally for mining and interior development, and it is thought will not stand shipment on account of freight rates. The United States coal-land laws were made applicable to Alaska by the act of June 5, 1900 (31 Stat., 598). There were later enactments on the subject.

None of these coal-land laws provided for any sort of lease, but all provided for the patenting in fee of the land. All unentered Alaskan coal lands were withdrawn from entry November 12, 1906, and since that time this country has been closed up, so far as their coal resources are concerned, as tight as a drum. Only two claims in all Alaska have ever reached patent, one of about 160 acres and one of about 50 acres, and those two fields are lignite fields.

Mr. BOOHER. Mr. Chairman, will the gentleman yield?

Mr. FERRIS. I yield with pleasure; yes.

Mr. BOOHER. Will the gentleman state to the committee how many claims have been filed on, and how much money the Government has in the Treasury from men who have entered coal lands in the Matanuska and the Bering River fields, and whose claims have not been passed on by the department?

Mr. FERRIS. I have that in my remarks, and I will reach it. I might answer the gentleman hurriedly and say that there are 1,129 claims, all told, and that some 561 of these have been heard and rejected, 566 still pending, and only 2 passed to patent.

Mr. BOOHER. How much money has been placed in the Treasury by the men who have applied for patents?

Mr. FERRIS. I do not have those figures at hand. I am very sorry I have not them here.

Mr. BOOHER. Three hundred and sixty-four thousand dollars, is it not?

Mr. FERRIS. I am neither able to corroborate nor deny the gentleman's figures. If he has looked it up, no doubt he is correct.

Mr. BOOHER. What provision has the gentleman made in this bill for taking care of the claims of men who have filed final proof with the Interior Department and whose claims have not been finally determined?

Mr. FERRIS. None at all. It was the specific intention not to do so. We proposed to leave them in statu quo. Section 14, on page 11, discloses that we neither add to nor take away any right.

Mr. BOOHER. Why not?

Mr. FERRIS. Every law is left in vogue that was in vogue when they filed; everything is left to them that they had originally. I think I know what the gentleman has in mind. There are many men up there who have been trying to secure patents upon their land. Their thought is that they ought to have a chance to go into the local courts and try them out, but I think the gentleman will agree with me that the committee was not justified in pursuing any such course as that. The department is not willing to take such a course as that, and the House ought not to be willing to take such a course as that.

Mr. BOOHER. If that is the policy of the Interior Department now, it is different from the view taken by the one it succeeded. Secretary Fisher advocated it, and the Committee on the Territories reported a bill to take care of those claims. Now, this bill is silent on that subject entirely.

Mr. FERRIS. The committee purposely stated in their report and purposely admitted in the committee that they were not willing to provide specifically that men who, perhaps, acquired claims fraudulently should have any additional course other than the one provided under existing law, and that was the unanimous view of the committee, as I understand it, and I know it to be the view of the department, because the department sat with us and helped us frame this bill in the way in which it was brought in here. The present law will protect them if they have rights; if they have none, this committee would not be justified in further tying up Alaska in trying to give them rights.

Mr. BOOHER. I did not refer to fraudulent claims, but I am referring to claims taken up by men in good faith, who have made entries, spent money and paid it into the Treasury of the United States, and this is now being withheld, and for five years their claims have been undecided and the Government holds their money. What provision does the gentleman make to take care of those people?

Mr. FERRIS. My answer to the gentleman is that if the claim is a straight, square, fair claim, they can acquire title under the existing law. They have an ample chance to get a title. Otherwise they are not entitled to any new trials or additional tribunals. Now, in reference to the gentleman's question. To show that a great majority of the claims are fraudulent, in eight long years only two of them have been permitted to proceed to patent. Five hundred and sixty-six of them have been tried, and every one of them has been turned down, and the other 561—my figures may not be exact—are now pending and will in all probability pass to patent or be rejected, as their relative rights appear.

Mr. BOOHER. Will the gentleman permit there one more question, and it is only one question. Now, suppose some of those claims that are still pending are held by genuine claimants and free from fraud, and the men are entitled to patent and the Government had already rented that land. How are we going to get at that situation?

Mr. FERRIS. The bill specifically provides that we are not taking away any vested rights up there of any man. It could not be done if we tried. We are not trying to do that. The bill does not do that.

Mr. J. M. C. SMITH. Is the money paid back to the locator or applicant?

Mr. FERRIS. If canceled for fraud, I do not understand it will. In that event he is not entitled to profit by his own wrong. If he is straight he will get a patent.

Mr. GOULDEN. Will the gentleman yield for one question?

Mr. FERRIS. I do.

Mr. GOULDEN. Are these coal fields, the Bering River and the Matanuska, available for use at this time; are they so situated that they can be reached and the coal shipped out for commercial purposes?

Mr. FERRIS. Oh, yes; they are close to the coast. One of them is 25 miles inland from the navigable waters, the other is some 70 miles inland, but can easily be reached by a short line of railroad.

Mr. GOULDEN. So that the coal can be reached?

Mr. FERRIS. Yes; the two fields are quite accessible.

Mr. GOULDEN. Are there any railroads near them at this time?

Mr. FERRIS. There will be. As the gentleman knows, railroads are few and far between there now.

Mr. GOULDEN. Will the Government proposed railroad we have decided to build reach those fields?

Mr. FERRIS. I can not answer the gentleman definitely, because we have not yet got the information as to exactly where the railroad will be located, but the engineers are up there for that purpose and in all probability they will. The President locates them and undoubtedly he will build to these fields.

Mr. GOULDEN. This bill simply provides for a survey and the manner of leasing the lands, as I understand it.

Mr. FERRIS. Yes.

Mr. HOWARD. Will the gentleman yield?

Mr. FERRIS. Yes.

Mr. HOWARD. The question propounded by the gentleman from New York was the one I had in mind. Why is there such a necessity or emergency unless you can reach these coal fields? If these coal fields are not available for transportation, how can those people who seek the benefit of this coal by this legislation be benefited until there is transportation furnished to take the coal to the consumer?

Mr. FERRIS. They have some transportation there now. There is some water navigation now and they have some transportation. The coal will also be used locally to some extent.

Mr. TALCOTT of New York. Will the gentleman yield?

Mr. FERRIS. Yes.

Mr. TALCOTT of New York. Does this bill reserve any right to the Government for the purpose of getting coal for the use of the Navy?

Mr. FERRIS. It does; we make a 5,120-acre reservation in the heart of the Bering coal field and a 7,680-acre reservation in the heart of the Matanuska coal field, and still another in

the heart of the Nenana coal field. We have reserved these large areas for the Government, so it can take out the coal it needs for Navy, Army, and Government needs generally. I think the gentleman will agree we have protected our Government pretty well in this regard. Some think we have reserved too much.

Mr. WILLIS. Will the gentleman yield just there?

Mr. FERRIS. I will.

Mr. WILLIS. Does the gentleman recall the number of acres in the Bering River field or in the Matanuska field, so that we may know what proportion is reserved? Does the gentleman recall the figures?

Mr. FERRIS. Yes; in the Bering field the bill reserves 5,120 acres; in the Matanuska, 7,680 acres; and, in addition, the President may make similar reservations in each of the remaining fields.

All known Alaskan coal lands were withdrawn from entry November 12, 1906, and since that time Alaska has been at a standstill, and there has been little or no development along this particular line. The total number of claims presented in Alaska under coal-land laws is 1,126. The total number of claims canceled to date is 561. The total number of claims patented is 2. The number of claims now pending is 566, many of which have been held for rejection by the General Land Office and are pending on appeal. Some of the claims are almost ready for final determination, and some are still being investigated for fraud and irregularity.

Mr. BOOHER. Will the gentleman please tell when the department thinks it will get through investigating these claims?

Mr. FERRIS. We had the department before us, and asked them on that specific point, and they said that they were speeding along with it as fast as they could. Alaska is a country, as the gentleman knows, where the field agents can not work all the year around, but they say they are proceeding as fast as they can. Their task has not been an easy one. They have been compelled to move with caution. Of course we all hoped when the withdrawals came, eight years ago, these matters could have been adjudicated sooner, but the conditions are more complicated than we know.

Mr. BOOHER. I am satisfied they have not.

Mr. SAMUEL W. SMITH. I would like to ask the gentleman what kinds of coal are found in Alaska?

Mr. FERRIS. Some of the fields back of the interior they do not know much about. The Nenana field is estimated to be a 900,000,000,000-ton field, and is lignite. The Matanuska and Bering River coal fields have a bituminous coal and some anthracite coal which is a merchantable coal. There is some difference of opinion about it as a naval coal, but it is good coal for most purposes.

Mr. SAMUEL W. SMITH. As far as you know, how many acres of coal land are found in Alaska?

Mr. FERRIS. I will give it to the gentleman. The known areas of coal-bearing rock in Alaska are 12,240,000 acres. Seven hundred and seventy-four thousand four hundred acres of land are definitely known to have coal under it.

Mr. SAMUEL W. SMITH. May I ask you another question?

Mr. FERRIS. Certainly.

Mr. SAMUEL W. SMITH. How many acres of coal land, so far as known, are owned by private parties in Alaska?

Mr. FERRIS. Scarcely any at all. Less than 200 acres. Only two claims have ever gone to patent. One has about 160 acres and the other has approximately 50 acres. The two together aggregate about 200 acres. It is one of the most amazing things that can be called to the attention of the House that Alaska, with all her coal, could never get enough coal to put in a cook stove as the laws now stand. The withdrawals were made in 1906, eight years ago, and since that time that Territory has been tied up as tight as a drum.

Mr. BOOHER. And all the coal, let me suggest, that they have used in Alaska since that time has been imported, most of it from British Columbia.

Mr. FERRIS. That is true. Some of it has been imported from the State of Washington, but most of it from British Columbia. I will give the figures later.

Mr. SAMUEL W. SMITH. If this bill is enacted into law, do you think it will result in the coal fields of Alaska being operated with success?

Mr. FERRIS. The Department of the Interior thinks so and the committee thinks so. As the gentleman knows, there are many problems difficult and hard to fathom in the framing of a law that will be workable and at the same time prevent the grafters from gobbling up those vast coal areas.

Mr. SAMUEL W. SMITH. Are the known fields that you speak of, that have been discovered, in a locality where the proposed railroad is to be built?

Mr. FERRIS. No one as yet knows where the railroad is to be built. As the gentleman knows, the Alaska railroad bill authorized the President to locate the line or lines wheresoever he would, from the coast back to the interior of the country, and he has not yet located them.

Mr. SAMUEL W. SMITH. Are these coal fields so located that you can build a railroad to them?

Mr. FERRIS. Undoubtedly. One of them is about 25 miles from the coast and the other is about 70 miles from the coast.

Mr. SAMUEL W. SMITH. One other question. Why is it that they have not been able to get enough coal, as you say, for a cook stove?

Mr. FERRIS. For the simple reason that in 1906 the Government made up its mind that the Alaska coal fields were about to be frittered away by fraudulent claimants. The gentleman recalls the noise we had about the Cunningham coal claims and about the fraudulent entries and the graft that was going on up there. In order to prevent that trouble, whether properly or improperly, the policy has been to withdraw all that coal land, and they will not let anybody have a patent up there.

Mr. WILLIS. I made a little computation here. I find the gentleman's bill reserves one-fifth of the Bering field to the United States and one-ninth of the Matanuska field, and that in all the rest of Alaska there are only 8 square miles reserved. Does the gentleman think that is sufficient reservation for governmental purposes?

Mr. FERRIS. The Secretary of the Interior is authorized to withdraw areas in any other coal field in his discretion.

Mr. WILLIS. In his statement he is limited in the amount he may withdraw?

Mr. FERRIS. In a single field; yes. It is all withdrawn now. We surely do not want to keep it all withdrawn.

Mr. WILLIS. And, in his discretion, the President may reserve from use, location, sale, lease, or other disposition not exceeding 5,120 acres of coal-bearing lands in each of the other coal fields in the Territory of Alaska.

Mr. FERRIS. Precisely; but, as the gentleman knows, there are 12,240,000 acres of coal-bearing rock in Alaska; and as the gentleman also knows, there are 474,000 acres of land that are known to be valuable for coal. If we take 5,120 acres out of the two main fields and then authorize the Secretary to make similar reservations in every other field, I think the majority of people would say we would have reserved too much instead of too little. I know that contention was strenuously made; and, of course, the gentleman from Ohio knows that there should be some development in Alaska, and the good friends of Alaska do not want to again tie it all up so that it can not move. We have had withdrawals in toto for eight years past that have kept everything at a standstill, and no one wants that to occur any longer.

The bill H. R. 14223 authorizes the Secretary of the Interior to lease in areas of 40 acres or multiples thereof upward to 2,560 acres. In the Bering and Matanuska fields, which are near the coast and are of known value, quantity, and area, small tracts will be leased. In the interior, where low-grade coal exists, larger areas can with safety and propriety be leased.

The Secretary of the Interior fixes the royalty, which shall not be less than 2 cents per ton, and coupled with this a competitive feature is added as an additional safeguard.

The bill contains a competitive feature pursuant to advertisement to determine priority of application; also to prevent favoritism, bringing increased revenues, and so forth, which is thought to be a wholesome method. It is thought this will be relief to the administration of the estate as well, for all applicants will have an equal chance.

Now, the gentleman from Ohio [Mr. WILLIS] will readily observe that in a territory that has 12,000,000 acres of coal, if he is allowed to withdraw 5,000 acres in each field the question to be considered is, Have we not withdrawn almost too much?

This is not to be granted in fee; it is merely to be leased. The Government gets a royalty on every ton of coal.

The Secretary is authorized and directed to withdraw 5,120 acres of coal land for Army, Navy, and other Government use in the Bering and Matanuska coal fields of Alaska. He is also given discretionary authority to withdraw 5,120 acres in each of the remaining coal fields, but as to the latter-named coal fields back in the interior of the country the withdrawal of such areas is not mandatory, but within his discretion. This to some may seem to be a reservation larger than is necessary, when the land is to be only leased and the lease so well safeguarded, but it was the thought of the committee that the Government should have the cream of each field, and if this should prove unwise it

could easily be restored. But if we let it get away, the difficulty would be to get it returned.

Mr. WILLIS. Mr. Chairman, before the gentleman leaves that point will he yield to me?

Mr. FERRIS. Yes; with pleasure.

Mr. WILLIS. I understood the gentleman to state that this reservation could be made for the purpose of use by the Army or the Navy; especially for the Navy, of course.

Mr. FERRIS. Yes; or for any other governmental purpose.

Mr. WILLIS. Suppose there should subsequently be a coal monopoly on the Pacific coast, and the Government should desire to enter into the mining of coal for the purpose of breaking up that monopoly, would it have the power to do that under this bill?

Mr. FERRIS. On page 2, line 22, there is a provision as follows:

Provided, That the deposits in said reserved areas may be mined under the direction of the President when, in his opinion, the coal is required for Government works or in the construction and operation of Government railroads, or is required by the Navy, or is necessary for national protection or for relief from oppressive conditions brought about through a monopoly of coal.

Now, I think that answers the gentleman.

Mr. WILLIS. Yes. That is a wise provision.

Mr. FERRIS. No railroad is allowed to take a lease for commercial purposes, but is allowed to mine and work only for its own use. Now, I think the House will know and will readily recognize that most of the coal monopolies, most of the food monopolies, most of the oppressive conditions in oil, gas, and everything else, are where the producer owns the transportation as well. In my State they oppress us because the pipe-line companies own the oil wells, and will not ship for anybody else. In Pennsylvania they oppress the people because they own both the coal mines, the anthracite coal fields, and the railroads. Your committee tried as best it could and put it in in terms positive and emphatic that a railroad could mine coal for its own use, but for that alone.

Sections 5 and 6 of the bill prevent lessees from interlocking or owning an interest in other leases, and provide for forfeiture and penal provisions for the violation thereof. I think that is wise. Some gentlemen may say it is not workable, but I do not see why it is not. Surely no one would advocate that we go to Alaska and let one syndicate or one company or one man or one monopoly or one financial interest own the entire Territory of Alaska.

The lease period under the bill is for an indeterminate period, subject to new conditions, royalty, and so forth, at each 20-year period. The new regulations, new royalties, and so forth, would be commensurate with equity and justice at that time. The lease period is for an indefinite time, or until the coal is worked out of the leased areas. This is thought to be wise. This is the practice in most leases. The lease contract is to contain a provision that allows the Government to step in at the end of 20 years and overhaul the proposition and refix the rates and make the conditions applicable to the situation then existing.

There is a 10-acre provision in section 8 for the purpose of aiding small miners, homesteaders, and so forth, in the development of Alaska. But this permit is only temporary. It was the thought of your Committee on the Public Lands that we wanted to make a bill that would be helpful to every part of Alaska. We wanted to make a bill that would encourage homesteading and the development of every nook and corner of Alaska, and, if possible, we wanted to make it so that each little local community could get coal for its own use in small areas, without being under the thumb of the big concerns, operating under big leases.

Mr. GOULDEN. What is the maximum amount that can be operated?

Mr. FERRIS. Twenty-five hundred and sixty acres, or four sections. But that is the maximum. It could be any amount lower than that.

Under the bill the Secretary of the Interior is authorized to lease the surface and the coal deposits separately, retaining the surface area for agriculture when deemed feasible. As the House is well aware, the modern conservation idea is to use the minerals, the coal, the oil, the gas, or all valuable strata beneath the surface for the best purpose, to wit, that of mining, and to use the surface of the soil in producing foodstuffs for the support of the American people; and we think we have followed that plan out here to its correct analysis.

There can be no assignment of the lease without the consent of the Secretary of the Interior. In other words, dummy entrymen and stool pigeons can not go up there and get hold of Alaska and immediately thereafter transfer by assignment into a syndicate that would probably become oppressive and heavy-handed on the Alaskan people.

The bill makes it mandatory that each lease shall contain a provision authorizing the subsequent supervision by the department, thereby insuring diligence, skill, protection of the property, prevention of waste, and such other provisions for the benefit of the United States as may be necessary.

The prevention of monopoly and the safeguarding of the public welfare are also provisions that go into the lease. This is perhaps the most far-reaching and advanced section in the bill, and it is the thought of the committee that this provision in the last analysis will do more for the Alaskan people than has ever yet been done for them along the line of regulation, because if the relative rights of the Government and the lessee, respectively, are written into the lease, surely the lessee will be bound by its very terms. Surely the Federal Government will know what its rights are, and surely if the Federal Government through the Secretary of the Interior makes a bad or defective lease, there will be a place to put a finger on the responsibility.

Mr. OGLESBY. Will the gentleman yield?

Mr. FERRIS. I do.

Mr. OGLESBY. Will the bill in its present form permit the making of a lease upon such terms that the Government will exercise any right or authority over the price at which the coal is to be sold?

Mr. FERRIS. The bill as it stands has no price-fixing regulation in it. The Delegate from Alaska [Mr. WICKERSHAM] has submitted to the committee an amendment which would accomplish that, and the other day, when we were talking about getting this bill up under suspension of the rules, in an effort to meet the emergency indicated by the telegrams which have been received, our committee agreed to accept that, and I personally agreed to accept it; and unless the House overthrows us it will no doubt be received in the bill when it goes through. There was a thought in the minds of the committee as it originally drafted the bill, and of the department, that probably to fix the price of the products of the mine in far-away Alaska might prevent development, and it was the thought of the committee and the department that we wanted to be doubly safe and doubly careful not to drive away honest, straightforward development. For that reason we left out that provision. However, the judgment of the Delegate from Alaska ought to be better than ours on this subject, and it is his opinion that some such provision ought to be in the bill, and he has an amendment, which I understand he intends to offer, covering that subject.

Mr. OGLESBY. That is, it permits the Secretary of the Interior, when he makes this lease, to fix the price at which the coal is to be sold?

Mr. FERRIS. Yes; that is correct.

Mr. OGLESBY. Will the bill in its present form permit the lease to be made to the man who will pay a nominal royalty of 2 cents a ton, or whatever royalty may be fixed, with the proviso that the lease is to be given to the miner who will sell the coal at seaports for the lowest price?

Mr. FERRIS. I am not sure that I have the gentleman's idea exactly in mind, but let me tell the gentleman what the bill does, and that may perhaps answer the question. The bill provides that the Secretary of the Interior may first fix the rental, which shall in no case be less than 2 cents a ton. That is the minimum, but the gentleman will notice that there is no maximum. He may make it as high as he can secure bids, and in addition, he may ask for competitive bids, so that the Government will derive the best possible price from it.

Mr. OGLESBY. That is, the man who will pay the largest royalty, assuming that he satisfies the Government he can properly handle his contract, will be given the lease. Does the bill give the authority to the Secretary of the Interior to make a lease based on a minimum royalty of 2 cents to the man who will deliver the coal for the lowest price at seaport?

Mr. FERRIS. The Secretary is given full discretion in carrying out the act. He can incorporate in the lease any provision he wants to, and can lease it to anybody he wants to. I feel sure there is no doubt about that. The bill is so drawn as to give the Secretary the power to grant these leases in such a way that they will be in the public interest and for the best interest of the community. He necessarily must have latitude to get anything done up there. Hard-and-fast rules will not accomplish it. To do that would simply be supplying Alaska and the United States Government with a law that would not work. To use a slang phrase, it would be selling a razor that would not shave.

Mr. MONDELL. Will the gentleman allow me, right on that point? Does the gentleman understand the provision of the bill to give the Secretary authority to call for bids based partly on the proposed selling price of the coal?

Mr. FERRIS. The bill gives the Secretary of the Interior a free hand, to do everything and anything he can for the benefit of the public interest in granting these leases. His authority is almost without bridle, and it was the thought of the committee that that was the way it ought to be.

Mr. MONDELL. It would require rather definite authority to authorize the Secretary to do that, and I had not supposed that the bill did that.

Mr. FERRIS. I did not quite catch the gentleman's remark.

Mr. MONDELL. It would require rather definite authority to authorize the Secretary to do that, and I have not read anything in the bill which seems to me to authorize the Secretary to make that kind of a condition.

Mr. FERRIS. The Secretary, under a distinct and separate paragraph, is given authority to work out rules and regulations and to prepare such leases as will safeguard the public interest and develop Alaska for the benefit of Alaska, and for the general welfare, and I think there is no doubt that he has authority to do this if it seemed best. Of course, I am not passing on whether or not it would be best to do that. The varied conditions up there will call for brains and latitude both. The bill gives the latitude, and I am sure the present incumbent has the brains and industry to work out the plan.

Mr. MADDEN. Does the gentleman think, after having made a thorough study of this, that if the Secretary of the Interior is given the power to regulate the price at which the coal shall be sold he will ever make any leases for the mining of the coal?

Mr. FERRIS. That is a question for the gentleman to debate. The committee and the department in the preparation of this bill were of the opinion that probably a price-fixing provision might retard development, and for that reason we left it out.

Mr. MADDEN. It certainly would retard development.

Mr. FERRIS. The gentleman from Alaska [Mr. WICKERSHAM] feels very keenly about it. I do not want to put words in his mouth, because he will present his own view, and I should not do that; but the gentleman from Alaska has an amendment which I hope he will call to the gentleman's attention. The amendment he offers is on all fours with the provision in the Adamson water-power bill and with the water-power bill from the Committee on the Public Lands. Whether it is advisable or not is a question for this House.

Mr. MADDEN. The price of the coal will have to depend on the market?

Mr. FERRIS. Very true.

Mr. MADDEN. And if the Secretary of the Interior, sitting here, with his manifold duties to perform, should undertake to regulate what somebody shall pay for coal, there would not be any coal sold.

Mr. FERRIS. Of course, the gentleman will find some difference of opinion about that. There is, of course, room for debate as to the advisability of it. I want it to go in if it does not scare away development; but I want development. I do not want our Government to longer leave Alaska chained hand and foot like a Prometheus. It has been tied up too long now.

Mr. WILLIS. Will the gentleman yield?

Mr. FERRIS. I yield to the gentleman.

Mr. WILLIS. Does the gentleman think it is a safe provision to enact into law, to authorize the Secretary of the Interior to lease for an indeterminate period on a minimum royalty of 2 cents per ton? Does not the gentleman think that is a very low royalty?

Mr. FERRIS. Of course the 2 cents per ton is only the minimum. There is no maximum. We compared that with what they are doing in foreign countries—compared it with Canada, compared it with Australia, compared it with New Zealand, and compared it with the State laws in the West that have leasing laws—and the 2 cents minimum and the competitive feature was our best judgment. The gentleman knows you can not lay down a hard and fast rule that will govern in all these situations. For example, one field will be easy to attack, accessible to railroad facilities, and accessible to market. There the royalty ought to be high. Another field will be crushed from volcanic action, inaccessible, expensive to mine, and will be of little value. Here undoubtedly the rate ought to be low. To have it otherwise is to get no development, no royalty, and no coal. This provision is approved by the Geological Survey, the Bureau of Mines, the Interior Department, and our entire committee. I do not think we have made any mistake in that. Undoubtedly the Secretary of the Interior has got to give some latitude. If the gentleman will remember, two or three years ago the Public Lands Committee brought in a bill and tried to lay down a hard and fast rule to govern the case. The thought of many in the House, and a good many out of it, is that there ought to be hard and fast rules laid down; but no such bill, I think, can be passed through this House, and no such bill ought to be passed through the House. If you did, you would make it so that the royalty in some cases would be outrageously high, in other fields disgracefully low, and totally unworkable as well.

Mr. WILLIS. Will the gentleman yield?

Mr. FERRIS. Yes; with pleasure.

Mr. WILLIS. I agree with much that the gentleman has said, but I want to ask him if with usual care and accuracy he has investigated the royalties provided for in other States and countries, and whether they are as low as they are in this bill.

Mr. FERRIS. Yes, I have; the minimum is oftentimes low. Sometimes they have a minimum and a maximum, and sometimes no minimum and no maximum, so the departmental officer who has charge of it can fix the royalty to fit each case. But this bill takes the double precaution of first fixing the royalty as best it can with all the information before it, and then in addition put it up and let it be bid upon so that you will be sure to have a double chance of getting what the coal is worth—a double chance to protect the public interest.

Mr. WILLIS. I think it would be safer if you had a higher royalty.

Mr. REILLY of Wisconsin. Will the gentleman yield?

Mr. FERRIS. With pleasure.

Mr. REILLY of Wisconsin. Is it the intention to get back the money appropriated in the railroad bill?

Mr. FERRIS. Yes; we have got to get the money back in the railroad bill, and everybody realizes the Alaskan people and the Delegate, who are fair and square, want to get the money back and so release them.

Mr. REILLY of Wisconsin. Does not the gentleman think the idea of fixing the rates by the Secretary of the Interior would counteract the making of revenue by the Government?

Mr. FERRIS. I think that is just the best method to get at it.

Mr. REILLY of Wisconsin. But the lower the rate the less revenue we get for the Government.

Mr. FERRIS. Undoubtedly, but we have a Secretary of the Interior charged with the highest sort of duty, and he will expect to carry out, and no doubt will carry out, the wishes of Congress and the people.

Mr. REILLY of Wisconsin. A 2-cent royalty will not get much revenue for the Government, and will not do much toward getting the railway money back.

Mr. FERRIS. The gentleman will recollect that this is not a 2-cent royalty. That is merely the minimum, so that it will allow the great lignite fields to be used locally. These coal lands will be put up for competitive bids, as the Interior Department does the Indian lands, and get the highest possible rate that the project will bear. So in each case we have a double chance to get the money for the railroad and the double chance of opening all the coal fields of Alaska and getting the most out of it possible.

Mr. HUMPHREY of Washington. Will the gentleman yield?

Mr. FERRIS. Yes.

Mr. HUMPHREY of Washington. I want to say that I do not see how it is possible, if we assume that the Secretary of the Interior will do his duty, which he will do, for us to lose anything under the bill in this particular section. Certainly, if the field is the lowest grade, it will only pay that amount, and we want it developed, and any other fields where it pays more the Secretary of the Interior is free to charge more, and it seems to me it is impossible for this bill to be wrong in that regard. I do not see how it is possible for this part of the bill to be a mistake.

Mr. FERRIS. I thank the gentleman; I think he has put it clearer than I could hope to do. Suppose we put a minimum of 5 or 6 cents a ton, more than any other country gets. The low-grade inaccessible coal areas would not even be scratched. Nobody wants that. The coal field near the home of the Delegate from Alaska [Mr. WICKERSHAM] has probably 9,000,000,000 tons of low-grade lignite coal. It is good for the local use only. Does anyone want to put a minimum so high that they will not touch that? But on the fields near the coast, as was suggested by the gentleman from Washington, where the great fields of Bering and Matanuska are, accessible to navigable water, which is demanded for use, then, as the gentleman from Washington suggests, the Secretary of the Interior will put them up to competitive bids, as we do the Indian lands in our State, and we will get what they are worth.

Mr. OGLESBY. Will the gentleman yield?

Mr. FERRIS. Yes.

Mr. OGLESBY. The gentleman has substantially answered the question that I intended to ask. If the royalty is made

2 cents it would stimulate a larger production of coal by making it cheaper for the contractor and more revenue for the Government and the railroad because the railroad carries the coal.

Mr. FERRIS. Yes; all those things are to be considered. You would not want to make it so low that you would not get any results. If you do, the Government will get nothing and Alaska will remain stagnant and a wilderness, and we all know that it ought to be opened up.

Mr. STEPHENS of Texas. Will the gentleman yield?

Mr. FERRIS. Yes.

Mr. STEPHENS of Texas. Is it not a fact that in the gentleman's own State and district several million acres of Indian lands were opened up at a minimum of $2.50 an acre, and a great deal of it was sold as high as $20 an acre?

Mr. FERRIS. That is very true.

Mr. STEPHENS of Texas. And we had to further reduce it to $1.25 an acre from $5, and it required a second act before a good deal of the land was sold.

Mr. FERRIS. Mr. Chairman, the gentleman who is chairman of the Committee on Indian Affairs would know more about the exact figures than I. I have no doubt that he has stated it correctly. I do know this: That we have coal, gas, and oil lands that belong to the Indians in our State, and that they are administered by the Interior Department. They put them up for competitive bids, and get all they can for them. They first appraise them, and if they do not get as much as the appraisement they do not lease them. In the next place, the man that pays the Indians the most for the land gets it and develops the land, and we are getting our State developed in that way, and the Indian is getting a royalty and the State is going forward. If our lands were withdrawn, if our lands were tied up, and if they had been withdrawn for eight years as the lands in Alaska have been withdrawn, we would be crying for aid, the same as Alaska. This condition up there is abnormal and should be corrected. I think this bill will accomplish it.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. FERRIS. Yes.

Mr. MADDEN. I notice the bill provides that the lands shall be divided up into lots as small as 40 acres each?

Mr. FERRIS. Yes.

Mr. MADDEN. Does the gentleman think that anybody would take the lease of 40 acres of coal land with any probability of developing it?

Mr. FERRIS. Probably not. The gentleman has in his mind the development of coal as being big business, and I think that is true, but I will call the gentleman's attention to the fact that it may give some locality or community or somebody a chance to work a small area, perchance a detached area that needed to be worked. I know what the gentleman has in mind, and I think he is right about it. There is no use talking about the coal business being a poor man's game. It is not. It costs thousands and thousands of dollars to put up a plant to mine coal, and anyone who thinks that we are passing a bill which will enable some individual to go out with a pick and shovel and mine coal is very much deluded. It is a big man's game. It needs careful regulation, but it needs also intelligent regulation.

Mr. BURKE of South Dakota. Mr. Chairman, will the gentleman tell us what the area in leases in Oklahoma has been as a general thing?

Mr. FERRIS. Those coal leases are not in my district. I have read them and studied them, but offhand I can not tell the gentleman the exact area they contain. Perhaps the gentleman from Texas, the chairman of the Committee on Indian Affairs [Mr. STEPHENS], may be able to tell the gentleman what these coal leases are at McAlester. I do not think there is any uniformity about it.

Mr. STEPHENS of Texas. I can not tell at present.

Mr. BURKE of South Dakota. The gentleman knows that while he was a member of the committee some of the leases had expired.

Mr. FERRIS. That is true.

Mr. BURKE of South Dakota. That is, they had worked out the area that they had leased and were seeking to get additional areas?

Mr. FERRIS. That is true.

Mr. STEPHENS of Texas. I will state that 440,000 acres were set apart for coal, oil, and asphalt. I do not remember the exact amount, but a very small portion of that was leased and afterwards we had to change those terms and conditions.

Mr. FERRIS. Perhaps I can call on my colleague from Oklahoma, Mr. MURRAY, to tell us what is the size of those leases, approximately, around McAlester, in his section of the country.

Mr. MURRAY of Oklahoma. There are 442,000 acres total. Does the gentleman want the size of the leases?

Mr. FERRIS. Yes; that was Mr. BURKE's question.

Mr. MURRAY of Oklahoma. The agreement provided for 960 acres, and I think they are based upon that plan.

Mr. FERRIS. I thank my colleague.

Mr. BURKE of South Dakota. This bill provides that the leases may run as high as 2,500 acres?

Mr. FERRIS. Yes; that is true. This bill provides that leases may run from 40 acres to 2,500 acres.

Mr. Chairman, I will not take any more time upon the bill. The gentleman from Alaska, Mr. WICKERSHAM, is here, and he will be able to handle the matter much better than I. I want to say that it has not been an easy task for your committee to bring to the House a bill that would be workable, that would open Alaska, bring revenue to help pay off the appropriation for the new railway, and still leave sufficient teeth in the measure to prevent abuses.

Your committee has been tireless in its efforts to accomplish the above. Neither selfishness, partisanship, nor pride of opinion even presented themselves in the deliberations of your committee. During my seven years' service on the committee at no time has the committee striven harder to do its full duty than in this instance. Every line of the bill was carefully scrutinized, carefully weighed, and carefully drafted.

It is thought that this is legislation that is imperative to make the railway a success and is needed even during the construction period. It may well be termed a companion bill to the Alaskan railway bill just passed. It is needed in Alaska now. The Territory has been tied up for eight years as tight as a drum. This will open Alaska; this will dovetail in with the railway bill just passed.

We submit this bill to the House as our combined judgment. [Applause.]

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. FERRIS. Yes.

Mr. MADDEN. The gentleman stated that some of this coal would be located adjacent to the railroads, and have better railroad facilities than other coals would have; that some would have advantages and some disadvantages upon that account?

Mr. FERRIS. That was my thought.

Mr. MADDEN. Does the gentleman believe that, in the face of the fact we have already reached the millennium and are going to build railroads into these coal fields and develop them, any such condition can possibly arise?

Mr. FERRIS. Oh, the gentleman and I in the past have been in agreement about Government-built railroads, and we thought that we had the best views on the subject, but both myself and the gentlemen were rolled very flat in respect to our views.

Mr. STAFFORD. Will the gentleman grant me one question?

Mr. FERRIS. I will.

Mr. STAFFORD. I notice in the bill you prescribe as to rentals not less than 25 cents per acre for the first year, and you place no limitation on the stated rentals for the following years.

Mr. FERRIS. I think the gentleman is mistaken, and that that is provided for.

Mr. STAFFORD. Of course, 50 cents is provided for the second, third, and fourth years, respectively, and $1 per acre for each and every year thereafter during the continuance of the lease; but it is in the discretion of the Secretary of the Interior to charge less or more than those amounts?

Mr. FERRIS. I think that the bill covers that. The gentleman will notice that these requirements are made to insure development, and that if the lease goes on and development accrues, the royalties accruing thus offset the rental charges referred to by the gentleman.

Mr. STAFFORD. I simply desired to call attention to the fact that the language on page 7 is ambiguous, and when I read the bill the other night I had difficulty in determining whether the committee intended an absolute charge of 50 cents per acre for rental or $1 after the fifth year, or whether it was to be not less than those amounts.

Mr. FERRIS. I think probably the gentleman may be right about that, but we can reach that subject under the five-minute rule when the bill is read for amendments. The gentleman probably is correct.

Mr. GREEN of Iowa. If the gentleman will permit, I am not informed as to coal royalties, but is this 2 cents per ton royalty just about a nominal sum or——

Mr. FERRIS. The purpose in mind was to fix 2 cents as a minimum for the inaccessible areas. The Secretary then offers it at competitive bid and gets all it will stand. Certain fields will not bear much royalty, while others will. The bill is intended, through appraisement and the competitive feature com-

bined, to do justice in all cases. This affords a double chance to protect the public interest. [Applause.]

The CHAIRMAN. The gentleman from Oklahoma consumed 50 minutes.

Mr. FRENCH. Mr. Chairman, I yield one hour to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Chairman, this bill should pass. [Applause.] I sincerely hope it may be very materially amended, but in any event it is imperative that we legislate touching the coal situation in Alaska. We have waited so long, conditions have become so unbearable, that we might better now legislate somewhat unwisely than not to legislate at all. I shall do the best I can and with perfect good nature and sincerity to modify quite a number of the provisions of the bill. It is my expectation to vote for it, even though it shall, when we finally get through with it, be but little better than it is now. But it is not a very good piece of legislation as it stands. I agree with the gentleman from Oklahoma, the chairman of the committee, that the committee has labored diligently and earnestly to secure wise legislation on this subject. The committee was somewhat handicapped in this matter, as it has been in other matters of late, under the new policy we have adopted under the flag—and I say this with all due deference to the gentleman from Oklahoma, because no one is better qualified to draw bills than himself—but no longer does Congress draw bills and in committee carefully consider them. No longer is our legislation the product of the Congress. It is primarily the product of some clerk in the office of an assistant secretary or an assistant bureau chief. It may be changed more or less along the line as it passes through the bureau and department, but it generally comes out with about the slant that the clerk gives who first guesses it out. Then it comes to the committee, and it matters not how well qualified the committee may be, it may be that the committee is by a considerable majority opposed to the form and draft and general character of the legislation; yet the bill, having been cast, having been drafted, it is almost impossible, unless you take it at the grass roots and pull it up and start with something new it is almost impossible to get a piece of legislation such as it should be. Our committees do the best they can, I am sure, under these conditions.

Mr. GOOD. Will the gentleman yield?

Mr. MONDELL. In just a minute. They do the best they can with this material furnished them under the new dispensation by the departments. We have to support it, though we may not like its provisions, if that is the best we can get. Now I yield to the gentleman from Iowa [Mr. GOOD].

Mr. GOOD. I want to ask the gentleman from Wyoming if he is sure that all of these bills have been drawn by some department head or chief? The record discloses, so far as the currency bill was concerned, the bill was drawn by H. Parker Willis, of Wall Street, and that this Congress has paid him $4,814.50 for his services, and I want to ask the gentleman if he has any assurance that there will not be other bills which will come to Congress from the heads of departments with such bills for drafting?

Mr. MONDELL. The gentleman from Iowa has referred to another phase of the new dispensation. When I said the bills were drafted in the department or by the departments or handed to the committees by the department I did not mean that in every case the department officials drew the bill. Discussing this very Glass currency bill, I said some one had been impolite and unkind enough to inquire who wrote it, and I said that it occurred to me that that was not so important an interrogatory as this: Who furnished the receptive ear to influences, with personal aims and purposes to serve, and upon the suggestions thus filtering in from Wall Street and other interested points, finally agreed upon the form of legislation? The gentleman from Iowa has done very valuable service in digging down into the files to discover that we have actually paid the bill. If the editor of the Wall Street Journal wrote the currency bill—and the fact of the payment would seem to be conclusive of that fact—he ought to have been paid for it, and I am glad the bill has been paid, in spite of Democratic economy. The sum the gentleman from Iowa mentions, however, is a large sum for the kind of a job that was done.

Mr. SLOAN. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. SLOAN. If we have been relieved from the necessity of drawing the bills, has anyone volunteered to relieve us from the burden of paying them?

Mr. MONDELL. Paying the bills? The people pay the bills. Sometimes it takes the people some time to discover just how they pay the bills and just what the burdens are that the bills place upon them. It may take some time under the bill just referred to.

Mr. STEPHENS of Texas. Will the gentleman yield?

The CHAIRMAN. Does the gentleman from Wyoming yield to the gentleman from Texas?

Mr. MONDELL. I do.

Mr. STEPHENS of Texas. Did not the gentleman from Wyoming vote for that bill, and did not the majority of the gentlemen on that side vote for the currency bill?

Mr. MONDELL. The gentleman can not shake his gory locks at me. I did not vote for it.

Mr. STEPHENS of Texas. Does not the RECORD disclose that the majority of the Republicans of this House voted for it, and nearly all the Progressives?

Mr. MONDELL. Some voted for it on the theory that the Republican Party had promised legislation on the subject, and that the fathers fortunately had provided two branches of the Congress, and before Congress got through they thought we might get some tolerable legislation. I do not believe anyone voted for it on either side because they really thought it was a first-class piece of legislation. If anyone did vote for the Glass currency bill when it passed the House with the idea that it was perfect legislation, with what great regret he must have voted for the bill finally, which, after it had passed through the Senate and the conference, was as unlike the bill that you passed here as one can well imagine.

Mr. SLOAN. Will the gentleman yield?

The CHAIRMAN. Will the gentleman from Wyoming yield to the gentleman from Nebraska?

Mr. MONDELL. I yield.

Mr. SLOAN. I would like to ask whether or not that bill which passed early in December last year is yet in full operation?

Mr. MONDELL. Oh, no. Large bodies move slowly, and some day——

Mr. DONOVAN. Mr. Chairman——

Mr. MONDELL. And some day it is to be hoped——

The CHAIRMAN. Does the gentleman from Wyoming yield to the gentleman from Connecticut?

Mr. DONOVAN. I do not want him to yield. I want to make a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. DONOVAN. The rule requires that whoever addresses this House should talk to the subject matter. Now, this is trifling with the rules. An intelligent Member and one who is as accustomed to the floor as the gentleman is should not transgress the rule.

The CHAIRMAN. The gentleman from Wyoming will proceed in order.

Mr. MONDELL. It does not matter whether the Glass currency bill is in operation or not. There is still a God in Israel and there is still good Republican currency legislation on the statute books. What matter whether the new currency bill is put into full operation or not? A great emergency arose, and although eight months had passed since the Glass bill became a law no one, the Democratic administration least of all, looked to that bill to help the situation or save the business of the country; on the contrary, the administration turned to the Republican Vreeland-Aldrich currency bill, which you gentlemen so violently denounced at the time of its passage, and through the provisions of that Republican act the emergency, caused by the greatest war in history, was met.

Mr. BOOHER. Will the gentleman yield?

Mr. DONOVAN. Mr. Chairman, I insist on my point of order.

The CHAIRMAN. The gentleman is not proceeding out of order or in violation of the rules of the House. If he should do so, the Chair will call him down. Does the gentleman from Wyoming yield to the gentleman from Missouri [Mr. BOOHER]?

Mr. MONDELL. Yes; I will yield.

Mr. BOOHER. I wanted to ask if the gentleman thought the God in Israel has been looking at the Republican Party very much lately?

Mr. MONDELL. Whom the Lord loveth he sometimes chasteneth. We have have been chastened, and I think we have benefited somewhat by the chastening, as we will show the gentleman in the ides of November. Now, Mr. Chairman, to come to this Alaskan bill; it should be passed, and I am going to vote for it even if it is not any better when we get through than it is now; but I hope it will be.

Mr. MADDEN. I am glad to see the gentleman so enthusiastic in supporting the bill.

Mr. MONDELL. I do not want to be misunderstood. We must legislate on this subject, and we must legislate the best we can. This bill is not, in my opinion, the kind of legislation we should have to meet the situation, but, good or bad, the situation must be met. I introduced an Alaskan coal-leasing bill,

or presented it to the House, three years ago last February; and I say, without any desire to be egotistical, that it was a very much better bill than the one we are now considering [applause on the Republican side]; that it was a more workable bill, and that it protected the rights of the public in every possible way much better than this bill does.

Mr. BORCHERS. Mr. Chairman——

The CHAIRMAN. Does the gentleman from Wyoming yield to the gentleman from Illinois?

Mr. MONDELL. If the gentleman will be brief.

Mr. BORCHERS. I understood you to say it was three years ago in February.

Mr. MONDELL. It was three years ago in February, I think, when it was taken up.

Mr. BORCHERS. And you had a Republican President and a Republican Congress at that time, did you not?

Mr. MONDELL. Yes; we did. But we had an unfortunate condition in this country. We had a Secretary of the Interior of whom some people did not approve and in whom some people did not have full confidence. In view of that fact, the committee in drawing the bill was very careful to lay down all of the requirements that would have to be met under the lease and to leave practically nothing to the discretion of the Secretary. And yet the bill was defeated largely on the ground that it left too much to the discretion of the Secretary. As a matter of fact, it left scarcely anything to his discretion. I desire to say, however, I have no doubt but that that bill would have passed could we have had the time for its consideration which is given to this bill; but a limited debate and no opportunity for amendment under suspension of the rules requiring a two-thirds vote defeated it.

How times do change! To-day we have before us a bill which will pass, and which turns over to the Secretary of the Interior all the coal fields of Alaska to do with as he pleases. Within a few general limitations, the Secretary may grant or withhold. He may prevent anyone from securing a lease, and he may lease the maximum quantity to any favorite and under practically any conditions. If we had presented such a bill as this at the time the former bill was brought before the House there would have been a riot. And yet, while times may change, principles ought not to change. The last Democratic platform made a very proper declaration that this is a Government of law and not of men, and it criticized the Republican Party because it was claimed that we were departing from the principle that this is a Government of law and that we were attempting to make it a Government of men. Great heavens, if the man who wrote that statement and declaration could read this law he would never believe that it was written by men who had subscribed to that platform!

And that is the principal objection to the bill. It places altogether too much power and authority in the hands of one man.

Mr. J. M. C. SMITH. Will the gentleman yield for one question?

Mr. MONDELL. In just a moment. The Secretary of the Interior is an honest man, and a well-meaning man, but he is not omnipotent, omniscient, or omnipresent. If he were the wisest man that ever lived, he could not look after every detail of the great work to be carried out under this bill. And, however wise, and honest, and honorable, and well intentioned he may be, he may not be Secretary of the Interior in a month from now, though we hope he will. He certainly could not continue to be for any great number of years under the practice of our Government.

Now I yield to the gentleman from Michigan.

Mr. J. M. C. SMITH. I wanted to inquire of the gentleman if we did not recently, almost within a fortnight ago, turn over to the Secretary of the Interior the disposition of the water powers in this country as well?

Mr. MONDELL. Well, we gave this same Secretary more control over the public lands in the West that may be utilized for water-power purposes than was ever, in my opinion, placed in the hands of one man by any Government on the face of the earth.

Mr. J. M. C. SMITH. That is what I think, too.

Mr. MONDELL. That is a pretty strong statement, but I believe it to be absolutely true; and we are the only Government in the world that has ever gone into the leasing business without prescribing in the law the conditions of the lease. They do that in New Zealand. They do it in the various States of the Commonwealth of Australia. They do that in the Provinces of Canada. We, adopting these foreign methods of utilizing coal, these methods recently adopted in foreign lands, lay down only a few general rules for the guidance of the Secretary and leave all else to his discretion.

I hope it will never occur that great wrong shall be done under this bill, that great scandals shall arise by reason of its operation. I hope not. I have great confidence in the officials of my Government; but I know, and every other man who knows anything about the bill knows, that it affords great opportunity for favoritism, for dishonesty, and for scandal, with all the lasting harm to the public interest which would follow from that sort of thing.

Now, that is the first trouble with the bill. It is so fundamental that it affects every feature of it, every paragraph in it. It has an effect not only on the legal aspect of the bill, but on its practical workings as well. For instance, there are two general ways in which you might lease coal lands. You might say to those who are qualified to lease, "Go upon the lands to be leased and select such area, within the prescribed limit, as you believe to be sufficient and so located and situated so as to make a mine profitable." Or we may say, as we do in this bill, "We will divide this great coal field, laid down originally in successive layers on some great plain or at the bottom of some swamp or lake, then through millions of years tossed and rolled until no acre of the various veins of coal lies in its natural position; we will go into a field like that, lay it off like a checkerboard into 40-acre tracts, and have some clerk who never saw a coal mine take a certain number of those 40-acre tracts and say, 'This one is a mine site; this area is a leasehold.'" Can we expect to secure profitable and practical operations in that way. In my opinion, the plan, if it works at all, will lead to very great waste, and will cost the people who use the coal a very great deal of money.

I have had some experience in opening coal mines. In my early youth I prospected and developed and opened some coal properties. I know how difficult it is, even where coal is not badly tossed and rolled and folded, to determine where you should attack a vein and what territory you should have behind it to suffice for a large working mine; and I know how utterly impossible it would be—at least, that is my opinion—to establish favorable mining operations under the plan which this bill seems to propose—a plan under which no consideration is apparently to be given as to the topography of the country, the location of the tap lines of railway, the ground needed for storage and loading tracks, the proper place for an opening in order to attack the vein to the best advantage and secure as far as possible the aid of gravity in bringing the coal to the surface; the question of how the vein dips from the opening and how much area accessible to the opening it is necessary to control in order to secure a mine that will have a reasonable lease of life. Ignoring all of these things, we propose, apparently, to carve these two coal fields of Alaska as you might slice gingerbread, and, without regard to the topography, thickness of the vein or dip, opportunities to attack, places for loading and storage tracks, to say, "If you want to mine coal in Alaska, you must mine from this area that we have selected for you, without regard to the natural conditions."

If, under a bill of this kind, opportunities are given to open the coal fields of Alaska to the best advantage and in a way to give the people the cheapest coal, it will be a pure "happen chance," and it will be because a plan apparently fatal to economical and successful working may by some good chance or providence work out better than we believe it can. The lessee should have an opportunity to go into the field and select, after careful and painstaking study, the area which he desires and believes he can work successfully. If there are overlapping claims or applications, the Secretary should have authority to decide, under proper rules, between them.

Now, the bill proposes not only that the leases shall be made in this way, but it proposes to reserve for the United States a considerable area of the lands in each field. I realize that it is not popular to talk against reservations, and gentlemen say, "Why, he who argues against reservations by the Government in the interest of the people can not be the friend of the people." Well, if reservations of this kind were in the general interest or in the public interest I should certainly favor them. But this is the situation in Alaska: For the present there are two fields, the Matanuska field and the Bering field, that are likely to be worked in a large way. For the present, and until the country shall have been developed more, there are not many points where those fields can be successfully attacked and mines opened.

If I were the Secretary of the Interior, under this bill I would feel it to be my duty to reserve the front and most accessible portions of these two fields. If I did anything else I would feel that I was subjecting myself to proper criticism. Well, if the Secretary does that, what does it mean? It means that the lands to be leased will be lands that are difficult of approach, or lands where the coal is badly broken, or lands

where there are not favorable opportunities for loading and transportation. The result will be that the cost of mining will be increased, and the increased cost of mining, no matter how you may attempt to divert it, will finally fall upon the man who buys the coal. If we are working in the interest of the purchasers of this coal, it is our duty to give the best opportunities for opening the coal; and if we do reserve the best areas, these frontal areas, and compel the lessees to build their tracks around them or go to the less favored localities and to hold them, what do we propose to do with them?

There is only one valid reason for a Government coal-leasing system. The only possible excuse for a governmental leasing system lies in the fact that it is hoped, and by some expected, that we may thus prevent possible combinations, and thus may be able to insure the user of coal cheaper coal than he might have under a system of private ownership. That being the only sound reason or excuse for a leasing system, it is our duty to put in the law provisions that will, so far as is humanly possible, accomplish those purposes. And those purposes being accomplished, why does the Government want to withhold from use the very areas that can be used to the best advantage and furnish the cheapest coal? Does anybody believe that the Government or the people collectively can sometimes mine coal cheaper than private enterprise? Anyone who has that view can not have had much experience with this class of business or much experience with Government ownership generally. As we propose to control all of these areas under leases, we are to a certain extent defeating the very purposes of our legislation when we propose to withhold the best and the most available part from use. And if the Secretary does not withhold the best and most available part, he will be seriously criticized. We are in fact reserving all these lands for use. Why reserve some of the best portions from use? If it is the inaccessible tracts that the Secretary is to reserve, the provision is not necessary; they are reserved by their position until the more accessible lands are worked out.

The bill I have referred to contained a provision which authorized the President to take coal mined from any of these areas wherever he found it, whenever needed for the Army, the Navy, or the Revenue-Cutter Service, at a reasonable price to be fixed by him. The object of that was twofold. First, to obviate the necessity, if any necessity there ever was, for reservations, on the theory that we might need to mine coal for our Army or Navy, a theory that never had much foundation in logic.

Second, it fixed a method under which the Government could from time to time establish what was a fair price for coal under the conditions of delivery under which the Government received its coal. With a provision like that in the bill, there would not be the slightest reason or excuse for any reservation, providing you also have in the bill adequate provisions to protect against unfair prices, monopoly, and restraint of trade, which, unfortunately, the bill does not at this present time contain. That is another peculiarity of this legislation. There was complaint of the bill of three years ago by some that its provisions were so drastic that no one could operate under it; by others that it did not sufficiently guard the public interest. But its provisions guarding the public interest were infinitely clearer and more definite and more all-embracing than the provisions of this bill. And, furthermore, they were provisions which were made effective in two ways: First, by being made a part of the law and enforceable as a statute. In addition, they were made part of the contract of lease, so that there was no getting away from those provisions.

Now, this bill not only lacks provisions protecting the public, but only one of the few that it has is in the nature of a statutory prohibition. Some of the others are simply referred to as matters that the Secretary may include in his contract if he sees fit.

Mr. HUMPHREY of Washington. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN (Mr. PAGE of North Carolina). The gentleman from Washington makes the point of order that there is no quorum present. The Chair will count. [After counting.] Seventy-five gentlemen present—not a quorum. The Clerk will call the roll.

The Clerk proceeded to call the roll, when the following Members failed to answer to their names:

Adair	Browning	Covington	Fairchild
Aiken	Byrnes, S. C.	Crisp	Faison
Ainey	Calder	Dies	Farr
Ansberry	Cantor	Dixon	Fess
Aswell	Cantrill	Dooling	Flood, Va.
Austin	Carew	Eagle	Fowler
Bartlett	Chandler, N. Y.	Elder	Gallivan
Bell, Ga.	Church	Esch	Gard
Brown, N. Y.	Clancy	Estopinal	Gardner
Browne, Wis.	Cline	Evans	George
Goeke	Keating	Mahan	Saunders
Goldfogle	Kelley, Mich.	Maher	Scully
Gordon	Kent	Martin	Shackleford
Gorman	Kiess, Pa.	Metz	Sherley
Graham, Ill.	Kindel	Montague	Smith, Idaho
Graham, Pa.	Kinkaid, Nebr.	Morin	Smith, N. Y.
Greene, Vt.	Kinkead, N. J.	Mott	Steenerson
Griest	Knowland, J. R.	Murdock	Stevens, N. H.
Griffin	Korbly	Neeley, Kans.	Stringer
Guernsey	Kreider	Nelson	Switzer
Hardwick	Lazaro	O'Leary	Taylor, N. Y.
Hart	L'Engle	O'Shaunessy	Treadway
Hayes	Lenroot	Palmer	Underhill
Hensley	Levy	Patten, N. Y.	Vare
Hill	Lewis, Md.	Peters	Vaughan
Hinds	Lewis, Pa.	Porter	Wallin
Hobson	Lindquist	Powers	Watkins
Hoxworth	Loft	Ragsdale	Whitacre
Humphreys, Miss.	Lonergan	Rainey	Wilson, N. Y.
Johnson, Utah	McClellan	Riordan	
Jones	McGillicuddy	Sabath	

The committee rose; and the Speaker having resumed the chair, Mr. FITZGERALD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill (H. R. 14233) to provide for the leasing of coal lands in Alaska, and for other purposes, finding itself without a quorum, the Chair had directed the roll to be called, and 308 Members answered to ther names, and he presented a list of the absentees.

The committee resumed its session.

The CHAIRMAN. The gentleman from Wyoming is recognized for 25 minutes.

Mr. MONDELL. Mr. Chairman, when I was interrupted by the roll call I was calling attention to the fact that this bill does not safeguard the public interest and the rights of the consumer as well as did the bill which I had the honor of reporting to the House three years ago. There is but one statutory provision in the act in the way of prohibition of practices which would be harmful to the consumer. That is contained in section 6; it is to the effect that the lessee shall not enter into any agreement, arrangement, or other device to enhance the price of coal. It does not in any way strengthen the present provisions of the law. The most that can be said for it is that it states the present antitrust statutes and no more. Further than that, the Secretary is authorized to include in leases all sorts of conditions—exercise of reasonable diligence, care, and skill in the operation of the property, rules for the safety of miners, and so forth, and such other provisions as he may deem necessary for the protection of the interests of the United States and for the safeguarding of the public welfare. The trouble with that is that it is so wholly indefinite that the Secretary would either include too much or too little in his lease, and it leaves the Secretary with full power and authority to prohibit certain acts and certain practices in one lease and to make no reference whatever to them in another. In other words, the Congress lays down no definite rules for guidance of the Secretary, and does not by law prohibit practices that ought to be prohibited in mining and selling the coal in Alaska.

I want as a matter of comparison to call the attention of Members to the provisions contained in the bill to which I have referred, which were made a part of the lease binding upon all lessees:

> That all leases issued under the provisions of this act shall be upon the condition that the lessee shall proceed with due diligence to open a coal mine or mines on the leased premises and to produce coal therefrom during the life of the lease in such quantity as the condition of the market shall justify. That he shall not monopolize, in whole or in part, the trade in coal. That he will at all times sell the coal extracted from the leased premises at just, fair, and reasonable rates, without the giving of rebates or drawbacks, and without discrimination in price or otherwise, as between persons or places for a like product delivered under similar terms and conditions. That the mining operations shall be carried on in a workmanlike manner with due regard to the permanence of the mine, without undue waste, and with especial reference to the safety and welfare of the miners.

All of these things necessary for the care of the mine, for the continuous prosecution of the work of mining, for the protection of the consumer against extortion and the miner against accident, were carried in the bill to which I have referred as provisions of the statute law and a part of the contract. There were, of course, the proper provisions for enforcement and for the cancellation of the lease in case any of its conditions were violated.

Some gentlemen opposed that bill on the claim that it did not sufficiently safeguard the public interest. It safeguarded the public interest in every respect, and far more than this bill does, as I have indicated by the comparison I have made.

The gentleman from Oklahoma [Mr. FERRIS], in answer to a question a moment ago, said that the committee had after due deliberation left out of the bill provisions that have been suggested under which the selling price of coal could be fixed. In answer to an interrogatory a moment later he said that under

the broad powers given to the Secretary he could fix the selling price.

Now, what is it Congress proposes to do and what is our judgment in regard to that important matter? We certainly ought to have an opinion about it one way or the other. We should not leave it to the Secretary of the Interior to decide. The gentleman says that the committee left it out of the bill because the committee did not think it wise to put it in the bill, and yet they say the Secretary of the Interior may fix the price at which the coal shall be sold. I do not know whether he will or not. No one knows. He may in one case and he may not in another. There is nothing in the bill to prohibit him from varying these conditions as he sees fit. As a matter of fact, as the gentleman from Illinois [Mr. MADDEN] said a moment ago, any provision in the bill or in the lease which attempted to fix definitely in advance the price at which coal should be sold would defeat the purposes of the bill, for no one could afford to go into the coal-mining business under those conditions; certainly not until the price of mining in Alaska is determined.

It is important that the antitrust statutes should be so strengthened by the provisions in the lease as to make it clear and certain at all times that the coal shall be sold at a reasonable price, without discrimination as between persons and places, and that the consumer should be protected. If we are not going to do this, there is no excuse for a Federal coal leasing. It would be better that the Government be saved the trouble and expense of attempting to handle these leases, turn the property over at a fair price to private parties, if by a system of leasing we do not strengthen the control of the community over the manner in which the coal shall be mined and the manner in which the consumer shall be treated. There is no other excuse that I know of for the Government going into this somewhat questionable business of leasing coal mines.

I said I was going to vote for this bill, and I am, hoping that some of its defects will be cured; but whether they are or not, the people of Alaska, as I understand, are prepared to accept the bill, not that the majority of them like its provisions, but because they have waited so long for the development of the resources of their Territory that they are willing to accept anything that Congress sees fit to do. But there are certain people up there who are still entitled to some consideration by the Congress of the United States. We can not afford to do an unfair or an inequitable or an unjust thing, even though we are dealing with coal properties around which the Ballinger-Pinchot controversy raged. There are good, straight, honest American citizens who have, they say, legitimate claims to some coal lands in Alaska. The bill which I introduced, and to which I have referred, provided that nothing contained in the bill should affect their rights one way or the other, but left it to the Government to decide what their rights were. The Interior Department under its general authority can in 30 days determine as to the rights of all these claimants, can close them all out, if it feels justified in doing so, and then leave the way clear for the leasing of the property. But this bill, ignoring entirely the claims of these Alaskan coal claimants, proposes to put the Government in a position where it shall use its forces of inertia to deprive them of whatever rights they have, because it provides in the latter part of section 3 that the possession of any lessee of the land or coal deposits leased under this act, for all purposes involving adverse claims to the leased property, shall be deemed the possession of the United States. We can not, of course, determine these claims and the rights of these claimants. But we propose to hold them up indefinitely by leasing their lands or leasing the lands they claim, and then preventing them from getting into court or securing a determination of their rights by saying that the lessee under this law shall be held to be in possession for and on behalf of the United States, and therefore there is no way in which his rights and title can be determined.

Mr. HUMPHREY of Washington. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. HUMPHREY of Washington. I was going to ask the gentleman if he knows whether or not any of these claims, where there is a contest, has been decided since the 4th of March, 1913?

Mr. MONDELL. I do not know. My understanding is that none has been decided since then. Does the gentleman know?

Mr. HUMPHREY of Washington. I do not. I have asked for that information, and I have not received it.

Mr. MONDELL. I think prior to that time there were adverse decisions in some few cases, and I think it is possible there may have been some adverse decisions since, but there has been no recent decision, one way or the other, in those cases where the claimant is actively pressing his claim and demanding a decision. This matter has been held open, and now the Congress coolly proposes to say to these claimants that the Secretary of the Interior, having refused to pass on their claims to determine whether they have any rights or not, may lease the land claimed, and lease it in such a way that no one can attack the right of the lessee. I do not believe we can afford to do that. I have no special interest in the affairs of any of these Alaskan coal claimants. I know but one of them personally, a man who was a universally respected citizen in my State for many years, a man I never heard anything against except the fact that he was active as a Democrat in politics. He made some money in Wyoming through years of earnest effort and went out to Alaska and took a coal claim. He put all of the money that he had in the world, I am told, into it. It was quite a few thousand dollars. It left him, I believe, entirely without resources, and he is no longer young. I think his coal claim is as clean as a hound's tooth. I have never talked with any one who had any different view with regard to the coal claim of my friend McDonald, and yet I think under this bill the McDonald claim could be leased, and I do not think that McDonald could in any way raise the question of his rights.

Mr. FERRIS. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. FERRIS. Oh, I do not believe the gentleman is quite fair about that.

Mr. MONDELL. I want to say to my friend that I want to be entirely fair. If that provision of the bill is not to be interpreted as I interpret it, I shall be very glad to hear that it is subject to some different and more favorable interpretation.

Mr. FERRIS. Let the gentleman read the last section on page 11, and read the proviso, which is as follows:

Provided, That the passage of this act shall not affect any proceeding now pending in the Department of the Interior, and any such proceeding may be carried to a final determination in said department notwithstanding the passage hereof.

The committee does not want to take away a single right that any man has, neither does the committee want to give him any additional right. If the Mr. McDonald, the gentleman referred to, has, and I am informed that he has, a lot of claims that, using the gentleman's term, are as clean as a hound's tooth, then I will say that you have a western Secretary, you have a western Commissioner of the General Land Office, and I believe that man will get his patent, as he ought to, if he is entitled to it.

Mr. MONDELL. We have a western Secretary and a western commissioner, but we have an unfortunate public sentiment with regard to Alaskan coal lands. Some day some man may come forward who is brave enough to do what is right in these matters. I hope we have such men now in the Government service. The fact remains, however, that if these cases are not decided the tracts can be leased there under the provision I have referred to, and the claimant barred from asserting his right.

Mr. HUMPHREY of Washington. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. HUMPHREY of Washington. It is my understanding that the McDonald lease has been up to the Secretary for several weeks; in fact, for two or three months, and the thing that amazes me is why there are not some decisions in these cases. What is the purpose of holding them up, if the gentleman knows? Why has not somebody the courage to do something in these coal cases?

Mr. MONDELL. Mr. Chairman, there are a number of provisions in this bill that I do not particularly object to, applied to Alaska, which I should not want to see applied to the States. The situation is somewhat different there, in some respects, from what it is in respect to public lands generally. I am not one of those who would experiment with the people who are trying to develop the resources of that far northwestern Territory. Still there are some things that may be proper to do in coal-leasing legislation affecting Alaska that we ought not to do elsewhere on the public domain. One of them is the limitation of interests in leases, the provision under which no one person can have an interest in more than one lease.

That was a provision of the bill to which I have referred which I introduced and reported and, I think, it is very properly a provision in this bill; but I hope it will not be taken as a precedent for like action when we come to the general coal-leasing bill applicable to the continental territory of the United States. Even in Alaska that provision is not so important as one reading the bill would conclude it was, in the judgment of the committee. They have used several pages, quite a number of sections of the bill, and multiplying punishments against

those who might, directly or indirectly, have an interest in more than one lease. It is proper that provision should be in the bill, possibly proper that those prohibitions should all of them be in the bill; but it is strange that the committee, feeling it necessary to prevent joint ownerships, should not have fully realized the still greater importance of preventing monopoly—monopoly that might be established through independent holdings, the importance of prohibiting improper practice in the sale of the coal. There are quite a number of the provisions of the bill entirely proper in their general purpose that ought to be amended quite radically. The system under which it is proposed to lease is a new and novel one to me. I do not pretend to say how it will work in Alaska. I do not believe it would work well in my State, with its vast coal areas, and in Montana and throughout the West—a system or a plan under which the Secretary is to fix certain conditions and minimum royalties and then advertise for bids on the basis of the acceptance of those conditions and the offer of bonuses in the way of such higher royalties and rents as the bidder may feel justified in making. Put into operation in our continental territory that would mean that in a short time all our coal operations would be in the hands of very large corporations, men who knew just how to make bids under those circumstances, men who could promise and offer to do things material or immaterial, wise or unwise, necessary or unnecessary, which others could not afford to do, thus widening the opportunity for favoritism. If we try this system in Alaska, I hope we will not try it anywhere else. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. FERRIS. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. BURGESS].

Mr. BURGESS. Mr. Chairman, this side has kindly yielded me 20 minutes and the other side 20 minutes, making 40 minutes, with the understanding that I am to make a speech on the cotton situation, and under the rules perhaps I could not do that. I therefore ask unanimous consent to proceed for 40 minutes to make a talk on cotton.

The CHAIRMAN. The gentleman from Texas asks unanimous consent for 40 minutes on a discussion of the cotton situation. Is there objection? [After a pause.] The Chair hears none, and the gentleman is recognized for 40 minutes.

Mr. BURGESS. Mr. Chairman, the theory that prosperity, general and permanent, can be produced by legislation on any subject is a startling doctrine, not worthy of consideration for a moment by any sincere, thoughtful, well-informed man. That centuries ago was the dogma of despotism; it was the doctrine of the divine right of kings that "we make our children happy and prosperous." It has no place in any true economic theory of development of any country, and especially when under such a Constitution and in such a condition as ours.

It may be granted fairly that legislation may promote prosperity, but it never can produce it; and the very gentlemen who now so strenuously talk it 10 years ago were the very men that sounded the bugle note all over this Republic on the money question that you can not make value by law; that you can not create prosperity by legislating an increase in the volume of money regardless of intrinsic value. I was one, though a Democrat, who agreed with that proposition; and I abide in the faith still, and it is as applicable to the tariff as it is to any other phase of legislation. You can not produce prosperity by law any more than you can produce dogs and cats by law. It does not come in that way. It is a great natural, universal process through which prosperity comes. It does not come down from the Government to the people. It does not come from the hands of kings, or courts, or legislatures, or parliaments. No; it comes by the blessing of God in soil, in season, and the industry and intelligence of mankind combined. In this country, peculiarly, prosperity is a great hybrid born of the gift of God in soil and season and of the energy, the industry, the tireless will, and intelligence of the American citizens, the greatest the world has ever known, and especially those who till the soil and work the mines and attend the ranches of the country. Prosperity, my countrymen, is a natural product born of conditions which can not be produced by any party or government that exists, that has ever existed, or that ever will exist.

"You may by legislation divert from its general, universal, and wide avenues part of the prosperity, channelize it and localize it and benefit an individual, a class, or a section. You can do that by protection, as you can by various other forms of legislation, but you can not produce a general, universal, and permanent prosperity by protection or by any other sort of legislation.

"Let us trace the source and progress of prosperity. Other countries have not sufficient products of their own to feed and clothe their people, and there is in foreign markets a demand for cotton, wheat, and meat. Our cotton, wheat, and stock raisers have produced a great excess above home consumption. What happens then? So much is produced as that not only 80,000,000 inhabitants of the United States are supplied, but an immenes surplus is borne down the lines of railway to the sea, and into the holds of the vessels of the world, and by them carried into the markets of the world under the banner, if you please, of absolute free trade and in competition in the markets of the world with all these products.

"In turn for these products the gold of Europe is poured in a great tide back into American homes. Then what happens? There is an increased capacity to buy on the part of those engaged in the production of these great products, and wherever there exists such an increased capacity on the part of the people to satisfy their needs or their desires more purchases occur. This people thus blessed by soil and season and their intelligent industry go about in the stores of the land and buy the various things they need to satisfy their wants or desires—aye, their fancies and whims—and retail trade, closest to and most dependent upon the people, rapidly responds to this birth of prosperity.

"The retail dealers begin to buy through drummers and by letters of the wholesale houses. Wholesale houses, realizing the impetus to their trade, make larger drafts upon the manufacturer, and the manufacturer gets a move on him; the smoke begins to rush faster and higher out of the factory chimneys, and the railroads get busy, and all along the pathway thus described, from the field to the foreign market, back again, and from the home people to the manufacturer and back again, labor everywhere gets increased employment, and an added capacity to buy, predicated upon the original capacity to buy, occurs. And thus in an endless chain in God's ordained way prosperity rolls on unfettered and blesses the American people regardless of whether the President is named Grover Cleveland or William McKinley."

"Prosperity comes to our country in no other way than this natural way, which augments the national wealth by the products of the soil. God made this country to feed the world, and keyed its potent forces upon its fertile soil and favorable climate.

"The American farmer, who plants in faith, cultivates in hope, and reaps in grace, is the uncrowned king of the world. Long may he reign, unfettered, to pour out his products into the markets of the world, to bless foreign nations, and to enrich his own.

[Applause on the Democratic side.]

"But I have said this doctrine is pernicious in its teachings. First, it teaches an idea that is demoralizing and ruinous, the doctrine that men should look to law rather than to God and themselves for their industrial success. It teaches men of all classes to rush to the Government for every ill that afflicts them.

"Under normal conditions, applicable to all trade everywhere, under all conditions, if unaffected by other laws, let me say to you that it is an economic principle, as true in trade as is the law of gravitation, that the price of a product in the furthest market in which an appreciable quantity of it is sold, less the cost and commission of selling it there, fixes the price of the product in all intervening markets and in the field of production as well. The housewives in the country long ago found out that if the hens get busy and lay more eggs in Indiana than the local markets can take care of, and they are shipped to Chicago and New York and other great cities, then the city price, less the cost of shipping the goods there and the commission of the wholesaler and the retailer, fixes the price of every egg laid in Indiana, and the hen nor anybody else can not get away from that law.

"Every wheat raiser, every cotton raiser, every cattle raiser, whether he comprehends the philosophy of the law or not, has felt it in its operation and bowed to its inexorable logic."

All these extracts are from a speech that I delivered on the floor of this House on June 27, 1906, and I have read them now for the express purpose of calling the attention of my Democratic colleagues to the fundamental principles that I then announced. I believed they were profoundly true in 1906, and I abide in that faith still. They are changeless, immutable, sound principles, and apply to the tariff no less than to any other governmental question.

We of the South especially have been urging them for a hundred years. We of the South especially believe they were applicable to the doctrine of protection, against which we stood, and I submit that they are no less true now.

Let us face this cotton situation fairly. Let us look the situation squarely in the face. In round numbers, this country produces 14,000,000 bales of cotton of 500 pounds each. Eight

million bales are exported to foreign countries and 6,000,000 bales are consumed at home. Texas is more interested in this cotton situation than any other State, for it produces 4,500,000 bales, and the district that has so honored me produces about 350,000 bales, and the crop matures earlier there than in any other cotton section. Cotton is king with us. It is our chief money crop. We have no factories, but are strictly an agricultural and stock-raising community.

Now, this deplorable and indefensible war which has broken out in Europe involves three of our chief buyers of our foreign export cotton—England, which takes three and one-half million bales; Germany, which takes two and one-third million bales; and France, which takes over a million bales. Naturally the war has suspended the cotton market, so that the American cotton raiser has been "fettered" by this war, which has temporarily destroyed nearly two-thirds of his market, and will affect it to a large extent for this year's crop and maybe next year's crop.

I have received telegrams and letters galore, making wise and unwise suggestions, and all more or less appealing to me for governmental help. Now, I want to say this is no time for the demagogue or the selfish speculator; for the man who would prey on the ignorance of the people, either politically for office or financially for profit. It is a time when all thoughtful, level-headed men must stand together, cooperate with each other, and bear one another's burdens.

As a sample of the many letters and telegrams that I have received, I will have read a letter from Judge W. S. Holman, of Bay City, Matagorda County, Tex. He is a dear friend of mine, and a level-headed fellow. His father has recently died in Fayette County. He was a farmer, and left a large cotton crop on the farm. I read:

BAY CITY, TEX., *August 19, 1914.*

Hon. GEORGE F. BURGESS,
Washington, D. C.

DEAR GEORGE: I have written recently several letters to cotton factors in Houston and Galveston for the purpose of arranging to take care of the cotton crop on my father's farm in Fayette County.

Inclosed I hand you a copy of a letter which I have received from William Christian, of Houston, Tex. This is just like all the balance. The reason I send this to you is because I have received it last. There must be some arrangement made by which the Treasury of the United States will assist in financing the cotton crop. The situation is worse than you possibly can understand, and is appalling to us, who have always thought that cotton will bring money when nothing else will. Now is the time for constructive statemanship. It will not be the part of a demagogue to go carefully into this matter. I am sending you this in order to advise you of the situation.

Very truly, your friend,
W. S. HOLMAN.

The letter to which he referred I also desire to read:

HOUSTON, *August 18, 1914.*

W. S. HOLMAN, *Bay City, Tex.*

DEAR SIR: I have your esteemed favor of the 14th and beg to advise that the late European war has perfectly paralyzed the cotton market, causing the closing of all the exchanges throughout the world. It has also placed an embargo upon commerce cutting off all outlets for cotton. Hence as cotton has no basic value and there is no market for it at present, no one can tell how much to advance. Furthermore, exporters and buyers can not get any money from the banks, as they can not realize on the cotton either by cash or exchange. In my 40 years' experience I have never witnessed such a time as this, when you could not borrow money on cotton, stocks, or bonds. I have a great deal of cotton upon which I have mortgages, and I am compelled to help the parties who have pledged their cotton to me to enable them to pick and pack their cotton and market it, making them a reasonable advance on the same to meet their pressing necessities. As this will take all the money I can demand, I have concluded not to take outside business until a market can be established for cotton and an outlet opened, because it will simply lock up money and make the money market harder and harder, which will ultimately so stagnate things that they could not get money to move the cotton after normal conditions were restored. I must say that the hardest problem to solve that I have ever found—how this crop is going to be successfully moved until commerce is resumed and the markets are well opened. Our domestic spinners consume only one-third of our cotton at their fullest capacity, which leaves two-thirds as a burden upon the market and absorption of inactive property. If this war continues long, it will be difficult to predict the disastrous results it will cause. The only policy I see now to adopt is to gather the crop, ship it to a point where it can be placed under storage and insurance and abide the time until a market can be had.

I thank you very much for remembering me and regret exceedingly that the conditions are such that will not warrant me in assisting you.

Believe me to be, with high esteem,
Yours, truly,
W. CHRISTIAN.

On August 24 I replied to Judge Holman's letter as follows:

AUGUST 24, 1914.

Judge W. S. HOLMAN, *Bay City, Tex.*

MY DEAR WILL: I have received your letter of August 19, and hasten to reply.

I am thinking about the war and its effect on my district, my State, and my country. You bet it is a serious situation.

The letter from Mr. W. Christian is a common-sense document.

He says: "In my 40 years' experience I have never witnessed such a time as this, when you could not borrow money on cotton, stocks, or bonds." Further along in the letter to you he says: "The only policy I see now to adopt is to gather the crop, ship it to a point where it can be placed under storage and insurance, and bide the time until the market can be had." We are thinking and working all we can to relieve the situation, but I don't know, nor do I think anybody else does, how to legislate value when value don't exist. It can no more be done with reference to cotton than any other thing. You can't create value by law, and that is all there is to it, and it is the part of a demagogue to say you can

We have passed in the Senate and have up now in the House the war-risk insurance bill, and I think we will authorize the President to buy ships. This is the only way to open the European markets and get our cotton to foreign ports. This is a time for sensible people everywhere to "sit steady in the boat," and the merchants and bankers ought to cooperate not with a view to making money. This is a time when everybody should stand together in order to save the country. I think myself it would be a fine idea for the merchants and the bankers and the farmers to meet together and discuss this question, with a view to holding what they have got and agreeing among themselves that no debt would be pressed for, say, three months. In that time, perhaps, the war will be over, or, if not, the reserve system will be organized, and we will have time to organize under the Vreeland-Aldrich Act and get money to run under and tide us over. It is folly talking about the National Government holding up the price of cotton. It can't do it, nor can anybody else. No legislation will do any good along this line. I suggest to you as best to try to make arrangements to hold the cotton crop raised on your father's farm. I know and sympathize to the fullest extent with the conditions that obtain in my district. I know they are worse than anywhere else on American soil. Our district raises over 300,000 bales of cotton, and it gathers the earliest of any cotton section. I know what this means, and I will do everything in my power for my people. I owe them that, and, besides, I want to do it, but I am not going to demagogue with them or anybody else.

We are to have a meeting to-day with the Secretary of the Treasury.

I remain,
Your friend,
GEO. F. BURGESS.

Now, there are some things that can not be done by any Government under the sun. No law that we could pass declaring everything white would change the color of a thing on earth. No law fixing a price would have any appreciable effect; and this is especially true of the price of cotton, because it is fixed by the European market. It is beyond the control of this Government, and Secretary of the Treasury McAdoo, in his address before the cotton conference on the 25th instant, was emphatically correct when he said:

What you must do, gentlemen, is to consider this: That nobody can arbitrarily fix prices. The National Government can not do it. Let us get away from that; let us try to be practical. The States can not fix prices for one commodity or for all commodities and get away with it. The history of civilization shows that nations have been strewn with wrecks of that character. I need only to call your attention to the condtion of France in the French revolution, when similar things were attempted and resulted in the prostration of industry, credit, and everything in the land.

And in this connection I quote an editorial from the Goliad Advance, of Goliad, Tex., of August 19, 1914. This is from a little country paper edited by J. A. White, whom I know well as a level-headed, patriotic citizen. I ask the Clerk to read.

The Clerk read as follows:

GOVERNMENTAL AID FOR COTTON.

A time like the present, when the people of Texas, a great cotton-raising State, are greatly depressed over the failing cotton market, seems to us a poor one for the exhibition of demagogy such as has come to light in the expressions of some of our public men in Texas. The suggestion that the Government should come to the front and right off the bat establish a minimum price of 10 cents for cotton, and on that basis loan to the farmers $50 per bale at a low rate of interest, seems to us lacking in feasibility and loaded with all sorts of dangers. We would like to see the farmers get 15 or 20 cents for their cotton; but, as a matter of fact, we do not know that the staple is worth 10 cents a pound now, basing value on the law of supply and demand. The European war is a calamity the evil effect of which must be felt over the world. While ultimately it may bring great prosperity to the United States, it can not be gainsaid that it will in all probability leave the South with a surplus of a few million bales of cotton, and where there is a big surplus in prospect there has always been a corresponding falling off in price. In the face of such conditions it appears to us paternalism in the extreme to advocate a Government loan of $50 per bale for cotton that may be worth less than such amount. Such a precedent would lead to producers of different commodities clamoring for the protection of the Federal Treasury on every occasion where the market price should fall below the producers' estimate of value. Wheat, because of a surplus, might actually be worth 75 cents on the market, with the wheat farmer contending for $1. The wheat farmer would then have the same right to governmental aid as was claimed by the cotton farmer. And this could be followed up by every class of producer, until, if such a foolish policy were adopted, the Government would find itself confronted with the problem of purchasing all lines of commodities where the actual market values were not in accordance with the producer's idea of value. We believe all possible haste is being made in providing plans for extending to the banks Government aid in financing the cotton crop of the South, and we particularly believe our Texas Representatives in Congress are doing everything possible for the assistance of Texas farmers and business interests generally; but, so far as we have been able to judge, no serious thought has been given to the visionary proposition of Gov. Colquitt for a governmental standard of 10 cents a pound for cotton and a governemtal loan of $50 per bale. That kind of talk seems to be the right kind of stuff on which to run for office in Texas just now, but no such foolish action will be taken, and such a suggestion in a time like this serves no good purpose.

Mr. BURGESS. Many respectable citizens have suggested to me the valorization of the cotton crop, after the manner of the valorization of the coffee crop. I know these people meant well, but it is idle to talk of such a thing in this country. In the first

place, such a bill can not pass; and I am confident, if it could, it would prove worse than the evil that afflicts us.

I quote from Secretary McAdoo's address:

If you attempt to valorize—in the first place, it could not be done, because nobody can pass such a law; it is a perfectly wild and ridiculous expedient and should not be resorted to in any circumstances. When you seek to do that, what have we then? I received a telegram this morning from a man representing the canning industry, asking me to do something of the same sort and saying that if any valorization was going around they wanted to share in it. Of course they do, and ought to have it. If we are going to go into that, we shall have to valorize everything. You will have to valorize canned salmon, wheat, corn; you will have to valorize every single thing produced in this country, because, as I tell you, gentlemen, the shock of this great cataclysm in Europe has affected for the moment every line of industry.

Many have suggested a loan to the cotton farmers direct on their cotton, but this is not practicable. The Government has no machinery for doing that, and while I am in sympathy with the farmers and would help them any way I could, I am not going to demagogue with them. I am not going to lead them to believe that I can do something that I know I can not do.

I quote again from the address of Secretary McAdoo:

Now, is not this the simplification of the situation? The Government has no agencies, and it ought not to attempt to do this business. It is not the business of the Government to do this sort of thing—to make loans, to trace out the location and security of every bale of cotton behind one of these notes that is made the basis for this currency. The banks are the proper agencies. They are highly organized; they are in every part of the country, and so long as they are put in possession of the means of financing these things it is their business to finance them; and I know that they will be glad to finance them if they can get the resources; and all that these banks have got to do, all these associations have got to do, is to make application for currency under that act and comply with its provisions. I believe that if they will do that, acting always with prudence, acting with a very high degree of prudence and common, ordinary business judgment, that all the money that this country needs or ought to have for the financing and carrying of this cotton crop until it can be marketed and sold is largely in hand.

I have given some time and much thought to the money question. I loyally supported the banking and currency bill which has recently been passed. I thought it would prove a great benefit to the country, though at the time of its passage I had no idea of such a calamity befalling the country as the war in Europe, and which puts upon the banking and currency system the severest test that could possibly have occurred. I believe it will stand the strain.

I believe it is sufficient for the needs of the country, and I believe it will avert a panic, if everybody enters thoroughly into the carrying out of the system. In this connection I quote again from the Secretary of the Treasury:

STATEMENT OF SECRETARY M'ADOO.

Among the eligible securities to be used as a basis for the issue of currency I have decided to accept from national banks, through their respective national currency associations, notes secured by warehouse receipts for cotton or tobacco, and having not more than four months to run, at 75 per cent of their face value. The banks and the assets of all banks belonging to the currency association will be jointly and severally liable to the United States for the redemption of such additional circulation, and a lien will extend to and cover the assets of all banks belonging to the association and to the securities deposited by the banks with the association, pursuant to the provisions of law; but each bank composing such association will be liable only in proportion that its capital and surplus bear to the aggregate capital and surplus of all such banks.

This plan ought to enable the farmers to pick and market the cotton crop if the bankers, merchants, and cotton manufacturers will cooperate with each other and with the farmers and will avail of the relief offered by the Treasury within reasonable limits. Such cooperation is earnestly urged upon all these interests. The farmer can not expect as high a price for cotton this year because of the European war; yet he should not be forced to sacrifice his crop. The banker and the merchant should not exact excessive rates of interest, and the manufacturers should replenish their stocks as much as possible and pay reasonable prices for the product. If this is done, and it can be done if everyone displays a helpful spirit, a normal condition can be restored, and there ought to be no serious difficulty in taking care of the cotton problem.

Obviously, to my mind, the first thing to be done was to get our shipping going, because we must get to the foreign markets with our American products. This is why I supported the war-risk insurance bill as a war emergency measure. This is why, under certain conditions, I will support a similar proposition to purchase ships, because I will do everything that I can do to meet the situation.

Mr. HULINGS. Mr. Chairman, will the gentleman yield for a question?

Mr. BURGESS. Yes.

Mr. HULINGS. Can the gentleman inform the committee what proportion of the cotton production of the United States is manufactured in this country?

Mr. BURGESS. About 6,000,000 bales.

Mr. HULINGS. That is about six-fifteenths?

Mr. BURGESS. About six-fourteenths.

I will have printed here a clipping from the Houston (Tex.) Post, an article entitled "A bank's advice to farmers," and also an editorial in the Houston Post of August 27, 1914, the common sense of which I commend to everybody:

A BANK'S ADVICE TO FARMERS.

CORPUS CHRISTI, TEX., *August 8.*

To Our Farmers:

On account of the war in Europe it is impossible to ship cotton abroad. All the cotton exchanges have closed and, for the time being, the only cotton moving is that being taken by American mills.

We would advise you to store your cotton in the local warehouse, bring your receipts to the bank, and if you need some extra funds we are perfectly willing to assist you; and also if necessary we will extend notes due us by farmers who are unable to meet them until they sell their cotton. We do not want you to sacrifice your cotton. The Corpus Christi National Bank wants to assist you in obtaining a fair price for it. In return we expect you to properly protect us by having your cotton under a good roof, protected from weather and fire. With this kind of collateral, you may rest easy, knowing that as soon as conditions adjust themselves you will be able to convert your crop into money at, we hope, a good price.

This is a time when the bankers, merchants, and farmers should all work together. If you owe your merchant and the bank, we suggest that you bring your cotton warehouse receipts to us, and, if you want to protect your merchants, you can give notice to the banks that upon sale of your cotton we are to make certain payments to the merchants. In this way you can deposit all your warehouse receipts in your bank and at the same time protect the merchant whom you owe. We think this is the proper thing for our farmers to do, and we feel sure that the merchants will be willing to extend all reasonable accommodations to those entitled to receive them.

Now that we have had some rain we urge all farmers to put their ground into a thorough state of cultivation. We hope you will put in a heavy acreage in feed, and also put in some live stock, especially hogs, which are very profitable in this country. The bank is willing to extend reasonable accommodation to farmers who will invest in good live stock.

CORPUS CHRISTI NATIONAL BANK.

THE BANKS AND THE FARMERS.

The Post is publishing elsewhere on this page a letter recently mailed by the Corpus Christi National Bank to the farmers of Nueces County, and the advice and suggestions contained therein are so sensible, considerate, broadminded, and patriotic that they are commended to all the country banks of Texas. The attitude assumed by the bank, it seems to The Post, is one that, if generally followed by the banks, would greatly mitigate the difficulties of handling the cotton crop.

The suggestion that bankers, merchants, and farmers cooperate is vital, of course, and cooperation means all working together for the mutual good of all, for if these three classes work together in the right spirit much loss will be averted and the welfare of the entire State conserved. The main point in the advice of the Corpus Christi bank is that of these three classes directly interested no two shall combine to the injury of the third. Equal and exact justice and consideration should be shown each class, for in the long run an injury to one is bound to prove disastrous to the other two.

The concluding paragraph of the letter is just as important as those preceding. It urges farmers to put their ground in a thorough state of cultivation, devoting a heavy acreage to forage crops and live stock, especially hogs. It offers reasonable accommodation to farmers who invest in good live stock.

This advice is applicable to every farmer in Texas, and always has been, but more so now than at any time in recent years. We know that the demand for meat must always be keen because the home demand is greater than the supply, and a foreign demand is inevitable just as soon as European conditions improve. Therefore, investments in live stock are certain to return profits, even during the period when it is certain that the cotton industry and the raw cotton market will be deranged.

So far as anybody can foresee events of world-wide concern, the war is going to be prolonged far beyond the period that was at first indicated. This will certainly necessitate a great curtailment of cotton production next year, and southern farmers will be compelled to devote their energies to other crops. Forage crops and live stock are more certain to produce profits than anything else, and it may be that cotton conditions will necessitate curtailment of production for several years to come.

So we see in the presence of urgent necessity how important diversification is, and we also see how it can be turned to good account for Texas and the rest of the world.

The landlords, the merchants, and the banks ought to cooperate to induce and encourage the tenant farmers to devote to other crops at least a part of the acreage they are usually required to plant to cotton. No doubt if properly assisted by merchants and bankers, and if permitted by the landlords to do so, thousands of tenant farmers would be glad to diversify, and thus increase their profits, the profits of the community, and the profits of the landlords. Texas will not need to make much more than half the usual cotton crop next year if the war continues, and it is important to utilize the acreage taken from cotton production to crops which will produce the best results for all concerned.

Mr. HUMPHREY of Washington. Will the gentleman yield?

Mr. BURGESS. Just briefly.

Mr. HUMPHREY of Washington. The question which occurred to my mind is, Will not the cotton market be greatly curtailed in any event owing to the European wars and the fact that the factories are closed?

Mr. BURGESS. I am coming to that now.

Mr. HUMPHREY of Washington. I am glad of it, because I wanted to know.

Mr. BURGESS. Now a word in conclusion: I do not know how long this war will last, nor does anybody else. It is practically certain that we will have a surplus of from 3,000,000 to 5,000,000 bales of cotton left over from this year's crop. It is vital that next year's crop be not exceeding 10,000,000 or 11,000,000 bales. How this will be done, I do not know. That it must be done in some way, if we would preserve the equi-

librium between the law of supply and demand, and thus maintain the price, is absolutely certain. I suggest to the farmers and cotton raisers of the country that now is the very time to study every method of diversification of crops. Plant less in cotton and more in corn and forage crops, raise more poultry and live stock, and be prepared for next year's trouble. "A stitch in time saves nine." [Applause.]

I yield back the balance of my time.

Mr. BUTLER. Mr. Chairman, inasmuch as it is impossible to maintain a quorum, and less than 50 gentlemen are present to hear one of the best speeches that has been delivered in this House, I move that the committee do now rise.

Mr. HEFLIN. Will the gentleman yield for a question?

Mr. BUTLER. Regular order!

Mr. HEFLIN. I just want to suggest to the gentleman——

Mr. BUTLER. I am not going to make the point of no quorum.

The CHAIRMAN. The gentleman from Pennsylvania moves that the committee do now rise.

The question was taken, and the Chairman announced that the noes appeared to have it.

On a division (demanded by Mr. BUTLER) there were—ayes 8, noes 56.

So the motion was rejected.

Mr. BUTLER. I do not make the point of no quorum.

Mr. MOORE. Mr. Chairman, I make the point of order of no quorum present.

The CHAIRMAN. The Chair will count.

Mr. MOORE. Mr. Chairman, I withdraw the point of no quorum.

The CHAIRMAN. The gentleman from Pennsylvania withdraws the point of no quorum.

Mr. MADDEN. Well, I make it, Mr. Chairman.

The CHAIRMAN. The Chair will count. [After counting.] One hundred Members are present—a quorum.

Mr. WINGO. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. WINGO. How much time remains for general debate?

Mr. MADDEN. Mr. Chairman, I demand tellers on the question of a quorum.

The CHAIRMAN. The general debate has consumed 2 hours and 20 minutes.

Mr. MADDEN. Mr. Chairman, I demand tellers.

Mr. FERRIS. This is not a question on which the gentleman can have tellers. The Chair has just determined that there is a quorum here.

Mr. MADDEN. I think there was a mistake.

The CHAIRMAN. Does the gentleman insist on his point?

Mr. FERRIS. Oh, no.

Mr. MADDEN. If the gentlemen are all anxious to go on, I will not insist.

Mr. FERRIS. Mr. Chairman, I yield 30 minutes to the gentleman from Alaska [Mr. WICKERSHAM].

Mr. WICKERSHAM. Mr. Chairman, I call to the attention of the committee an official map of Alaska upon which I have superimposed the proposed lines of Government railway in Alaska. They are the lines which the Government is now surveying under the bill passed by Congress appropriating $35,000,000 for building railroads in that Territory. I call your attention also to the fact that this map shows the location of the well-known coal areas in that Territory, which have been put upon this map so the House may see their relation to the proposed lines of railways.

Mr. GOULDEN. I trust the gentleman will use the pointer, so that we can determine just what it is. I do not think it is quite clear, at least not to me.

Mr. WICKERSHAM. There are three principal coal areas in Alaska. They are the principal coal areas, not because they are the largest ones in Alaska, but because they contain the highest grades of coal and are nearest to possible transportation. The first is the Bering River coal field. It is in southern Alaska, within 25 miles of the seacoast. The Copper River & Northwestern Railroad is now constructed for 196 miles, from Cordova to Kennicott, and passes within 25 miles of this coal field. It is a first-class standard-gauge railway, rock ballasted, with steel bridges. It is one of the finest railways in the United States, and by the building of 25 or 30 miles of additional spur it will reach the Bering River coal field.

If this bill passes, I am informed that spur will be immediately built by the Copper River & Northwestern Railway, and that coal field will immediately come into use for the people of the coast. The next coal field of importance is the Matanuska coal field, which you will notice at this point on the map. It is about 170 miles from the coast, in the interior of Alaska. It is on a proposed line of the Alaskan Northern Railroad, which is now built from Seward, on the southern seacoast, 70 miles northward, in the direction of this coal field. The Government, under the railway bill recently passed by this House, is now completing the surveys along this line of railway from Seward and from the harbor known as Portage Bay, just to the eastward of it, up to the Matanuska coal field, and then on to the interior of Alaska through the Nenana coal field. The Matanuska coal field is important, because it is a much larger field than the Bering River field. It is not only much larger, but the coal veins are said by the Geological Survey to be in better shape than the former. The Bering River veins have been distorted by volcanic action, and the coal has been much broken. It is a high-grade coal, but it is badly broken, while the Matanuska coal is much less distorted and equal in high grade. Both in the Bering River and Matanuska fields are high-grade anthracite and bituminous coals, and they are the only high-grade anthracite and bituminous coals on the Pacific coast. California has no coal, or substantially none. Oregon has some coal, but it is a very low grade and in very small quantities.

Mr. STEPHENS of Texas. Will the gentleman yield at that point?

Mr. WICKERSHAM. Yes.

Mr. STEPHENS of Texas. I have heard it stated that a great deal of coal in Alaska is lignite coal. Will the gentleman point out that field?

Mr. WICKERSHAM. The Nenana field, north of the Matanuska field, is lignite.

Mr. STEPHENS of Texas. I understand the price on this is to be 2 cents in this bill.

Mr. WICKERSHAM. Not less than 2 cents per ton royalty. I exhibit to the gentleman from Texas a photograph of some of the Nenana coal veins.

Mr. STEPHENS of Texas. What is the width of that vein?

Mr. WICKERSHAM. One of the veins is 105 feet thick. It is in a great white sandstone cliff formation, and the coal veins extend back into the country for many miles.

Mr. STEPHENS of Texas. Will it have to be taken out by stripping?

Mr. WICKERSHAM. It will have to be mined in the usual way. It is incased between heavy white sandstone strata.

Mr. STEPHENS of Texas. The gentleman is aware that the price we pay for coal is covered to a great extent by the thickness of the vein and its accessibility. Is it possible, without giving the widest latitude to the Secretary of the Interior, to set any price on the various banks of coal to be leased under this law? Ought not great latitude to be given to the Secretary of the Interior?

Mr. WICKERSHAM. I have no doubt great latitude ought to be given, and great latitude is given in this bill. The bill fixes only a minimum, and not a maximum.

Mr. BURKE of South Dakota. Will the gentleman give us the area of these fields? And I would also like him to state whether this lignite has any commercial value except for local use?

Mr. WICKERSHAM. The Bering River field has only about 45 square miles. It is a small field, but it has very heavy veins, and there is much more coal on a given area than, for instance, in Illinois, where the veins are much less in thickness.

Mr. BUTLER. From which property did the Navy obtain its coal for experimental purposes?

Mr. WICKERSHAM. It obtained it from the Bering River coal.

Mr. BUTLER. Which was not found desirable. Do they have to go back into the Territory to find coal?

Mr. WICKERSHAM. The Government is now bringing coal out from Matanuska for another test.

Mr. BUTLER. Have they not already tested it?

Mr. WICKERSHAM. No. It is lying out on the bank ready for shipment. They have only tested one vein in the Bering River coal field. There are many veins there, and I have no doubt from the statement of the Geological Survey, which has given much attention to these fields, that there are veins other than that which are of higher grade and contain good naval coal.

Mr. GOULDEN. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Alaska yield to the gentleman from New York?

Mr. WICKERSHAM. Certainly.

Mr. GOULDEN. Has that test been completed—of the Bering River coal?

Mr. WICKERSHAM. Yes; that single test from a single vein of the Bering River coal was completed.

Mr. GOULDEN. How does that compare with the Pennsylvania bituminous and Pennsylvania hard coal?

Mr. WICKERSHAM. It did not compare well. It was far below the Pennsylvania coal. But only one test from one vein was made, and that was substantially surface coal.

Mr. MADDEN. It had but 43 per cent of the efficiency of Pocahontas coal?

Mr. WICKERSHAM. Yes; that is probably correct.

Now, the Bering River field has about 44 square miles in area. The Matanuska field has something like 100 square miles, and nobody really knows how much more. They know it has that much, and Dr. Brooks is so honest in his statement that he always errs on the side of accurate statement. In his statement he gives figures for only what really exists; but he also says that there may be many times the amount of coal that he gives in the official statement.

Mr. GOULDEN. What is the thickness of these veins in Matanuska?

Mr. WICKERSHAM. About 10 feet in thickness. There are in those fields both anthracite and high-grade bituminous coals.

Now, when you get to the Nenana field, that is a lignite coal; but for many purposes it is even better than anthracite. For local use it is good. If we had that coal for the development of our mines in the interior of Alaska, it would be all that we would want. Substantially all that we need in the whole interior of Alaska is to have that Nenana coal field opened up to use, and substantially what the Government needs is the opening of the Matanuska fields, which have these high-grade coals which are supposed to be naval coals.

Then, too, there is a large coal field here on Cooks Inlet. The veins are thick and heavy and there are great areas of coal there, but it is a low-grade coal.

Mr. HUMPHREY of Washington. Mr. Chairman, will the gentleman yield there?

Mr. WICKERSHAM. Certainly.

Mr. HUMPHREY of Washington. Is not that coal fit for heating and steaming purposes?

Mr. WICKERSHAM. Yes; it is all fit for that.

Mr. HUMPHREY of Washington. It would answer, so far as the development of the country is concerned, for all practical purposes?

Mr. WICKERSHAM. Yes. One trouble about this low-grade coal is that it is not a good shipping coal, first, because there is plenty of it in Washington, and, second, because it is liable to spontaneous combustion when confined.

We have up here in northern Alaska, along the Arctic slope, large fields of coal; over here by Nome there is a large deposit of coal; and up here at Cape Lisburne there are large deposits; and down through the Alaska Peninsula there are large veins of coal, thrust out into the sea, as they are here at Cooks Inlet. The Geological Survey reports that but one-fifth of the Territory of Alaska has been surveyed, and in that one-fifth they have determined there are about 12,000 square miles of what may be called coal-bearing areas; and if the other four-fifths shall come up to that, we shall have about 60,000 square miles of coal-bearing areas in Alaska, and the probability is that there is even much more than that. But with all this wealth of coal in Alaska and the great demand for its use in development, with everything in that Territory standing still for the want of it, we have to buy British Columbia coal. For 10 years now almost every pound of coal that has been used in that Territory has been purchased from the British Columbia coal fields, mined very largely by Chinese and other cheap labor, and whence the coal has been carried to Alaska and burned in sight of the greatest coal veins in the world.

Mr. HUMPHREY of Washington. Mr. Chairman, will the gentleman yield there?

Mr. WICKERSHAM. Yes.

Mr. HUMPHREY of Washington. Has there not been some coal in the last year brought in from Australia?

Mr. WICKERSHAM. Yes; some was brought from Australia and some from Japan.

Mr. HUMPHREY of Washington. But practically all the coal burned in Alaska in the last few years is foreign coal, brought there in foreign ships?

Mr. WICKERSHAM. Yes; substantially all of it.

Mr. MOORE. Mr. Chairman, will the gentleman yield there?

The CHAIRMAN. Does the gentleman from Alaska yield to the gentleman from Pennsylvania?

Mr. WICKERSHAM. Yes.

Mr. MOORE. Will the gentleman explain why this coal will not bear being carried in the holds of vessels?

Mr. WICKERSHAM. The best grades are carried the same as the Pocahontas coal, but the cheaper grades, the lignites, are inflammable.

Mr. MOORE. Do they disintegrate?

Mr. WICKERSHAM. No. Spontaneous combustion sets in. The coal slakes, as it were, and ignites like all low-grade coals.

Mr. BURKE of South Dakota. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Alaska yield to the gentleman from South Dakota?

Mr. WICKERSHAM. Yes.

Mr. BURKE of South Dakota. I do not wish to anticipate the gentleman's speech, but he stated that practically all of the coal in the last several years had been imported. What has been the price paid by the consumer, and what could the coal be mined for if it were obtained in the mines of Alaska?

Mr. WICKERSHAM. The consumer in Alaska has paid all the way from $10 to $20 a ton; $10 per ton when Juneau and some of the other towns in the Territory built a public wharf and spent the public money in bringing up coal from British Columbia and selling it to the people at cost on the wharf, and from $18 to $20 when the towns were restrained by the courts from dealing in coal and when the people were compelled again to purchase from the foreign importer.

Mr. HUMPHREY of Washington. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman yield?

Mr. WICKERSHAM. Yes.

Mr. HUMPHREY of Washington. I remember seeing it stated last winter that coal sold up there at as high as $22.50.

Mr. WICKERSHAM. Yes.

Mr. JOHNSON of Washington. And at $28 a ton right here [indicating on map].

Mr. WICKERSHAM. Yes; it has been sold to the United States at Army posts for as high as $28 per ton.

Mr. MADDEN. Does the gentleman know how many tons of coal were used last year in Alaska?

Mr. WICKERSHAM. I can not give you the exact data.

Mr. BURKE of South Dakota. The gentleman did not answer my question fully. My question was what would be the cost if this coal were mined in Alaska?

Mr. WICKERSHAM. Testimony before various committees is that it would cost from $1.75 to $2 per ton, and according to the statement of Mr. Griffith, who went up from Pennsylvania to make an examination of these veins, it would cost $1.87 per ton to mine, without transportation.

Mr. FERRIS. Will the gentleman yield to me for a moment?

Mr. WICKERSHAM. Yes.

Mr. FERRIS. If the gentleman desires, I can supply the figures asked for by the gentleman from Illinois [Mr. MADDEN]. In 1912 there were only 355 tons produced by Alaskans, and in 1913 there were only 1,200 tons produced, while there were 100,000 tons consumed, showing that the withdrawal has kept them from producing even enough to supply themselves.

Mr. TALCOTT of New York. Will the gentleman yield?

Mr. WICKERSHAM. Yes.

Mr. TALCOTT of New York. All the coal shipped to Juneau and the other points is bituminous coal, is it not?

Mr. WICKERSHAM. Yes; it is.

Mr. TALCOTT of New York. Has the superior coal from any of these large fields been mined to any large extent?

Mr. WICKERSHAM. No; not at all.

Mr. TALCOTT of New York. So that really the full quality of the veins has never been determined.

Mr. WICKERSHAM. Not by extensive mining.

Mr. TALCOTT of New York. And it may be of equal value with the Pocahontas coal?

Mr. WICKERSHAM. I have no doubt that it is. The truth is the Geological Survey, under Dr. Brooks, has for 12 or 14 years been making the most extensive and careful investigations into the value and extent of the Alaskan coal fields, and it has made some very interesting reports, all of which are in print, in the form of public documents, and give us exact data, so that we are justified in saying that we think some of this coal is equal to the coals of Pennsylvania.

Mr. SLAYDEN. Will the gentleman permit a question?

Mr. WICKERSHAM. Yes; with pleasure.

Mr. SLAYDEN. Do these examinations and reports by Dr. Brooks go to the economic value of the coal or to the quality of the coal as compared with other coals, like the West Virginia coals?

Mr. WICKERSHAM. Both. There have been very full reports. Then the railroad reports have gone into that matter very largely also.

Mr. SLAYDEN. I should like to ask the gentleman how he disposes of the laboratory tests and other actual tests of the coal made by the Navy Department, which found that it was not equal to the Pocahontas coal in certain qualities?

Mr. WICKERSHAM. That is a verity. That is not to be disposed of.

Mr. SLAYDEN. That is true, is it?

Mr. WICKERSHAM. That is true, so far as it goes.

Mr. SLAYDEN. It is not a good coal for certain purposes?

Mr. WICKERSHAM. No. I do not admit that. The test they made showed that the coal they examined was not as good as the best Pennsylvania coal, but it was a test of coal off the surface, substantially, and Dr. Brooks does not think that determines anything except that that particular examination was not of good coal.

Now, Mr. Chairman, we have plenty of good coal in Alaska. There is something else the matter, and it is that to which I want to call the attention of the House for a few minutes.

With the great demand for coal on the Pacific coast, with substantially no high coal of this character on that coast at all, we are obliged to get all our high-grade coals from Pennsylvania or from some other of the mines in the East, although we have an abundance of it in Alaska. That condition has existed for so many years that it is important to know why it exists.

Mr. J. M. C. SMITH. Will the gentleman yield for a question?

Mr. WICKERSHAM. Certainly.

Mr. J. M. C. SMITH. How long does it take to get coal from Pennsylvania into Alaska?

Mr. WICKERSHAM. That depends on where you undertake to ship it in Alaska. If you take it to Fairbanks, where I live, it would take possibly six months, for it would have to be carried around the Horn, as mo t of it is, or across the continent by railway, and transshipped at Seattle or San Francisco for Alaska, and again transshipped at the mouth of the Yukon River and carried 1,100 or 1,200 miles up that river, while there is within 50 miles of Fairbanks, just across the valley in sight, one of the greatest coal beds in America.

Mr. J. M. C. SMITH. How long would it take to go from San Francisco to one of those ports in Alaska?

Mr. WICKERSHAM. To St. Michael, 9 or 10 days, and probably 18 or 20 days additional to Fairbanks. But the coal must be transshipped at St. Michael from ocean to river steamers. When Alaska prospectors first discovered the coal fields of Katalla and Matanuska, the only high-grade coals on the Pacific coast, the United States coal-land laws were not in force and effect in that Territory.

Alaska was given a very limited form of government by the act of Congress of May 17, 1884, but the last clause of section 8 of that act declared:

> But nothing contained in this act shall be construed to put in force in said district the general land laws of the United States.

From that moment we had no coal-land laws in Alaska for many years. The coal-land laws of the United States were especially excluded from Alaska by the act of May 17, 1884, and when the extensive deposits of high-grade coals were thereafter discovered there was no law authorizing their location or sale even to those who should open or work such mines.

The coal-land laws were first extended to Alaska by the act of June 6, 1900 (31 Stat. L., 658), and I quote this in full to show how very brief it was and to show you its exact terms, because it had no effect at all:

> An act to extend the coal-land laws to the District of Alaska.
>
> *Be it enacted, etc.*, That so much of the public-land laws of the United States are hereby extended to the District of Alaska as relate to coal lands, namely, sections 2347 to 2352, inclusive, of the Revised Statutes.

When that act passed, the coal-land laws in force in the United States specifically mentioned became in full force in Alaska. But it was soon discovered that even this extension gave no immediate relief, since the United States coal-land laws applied only to surveyed lands, and the lands in Alaska were not surveyed. To cure this defect Congress passed the act of April 28, 1904 (33 Stat. L., 525), which authorized the location of coal lands upon unsurveyed land, by special survey.

This act was as follows:

> An act to amend an act entitled "An act to extend the coal-land laws to the District of Alaska," approved June 6, 1900.
>
> *Be it enacted, etc.*, That any person or association of persons qualified to make entry under the coal-land laws of the United States, who shall have opened or improved a coal mine or coal mines on any of the unsurveyed public lands of the United States in the District of Alaska may locate the lands upon which such mine or mines are situated in rectangular tracts containing 40, 80, or 160 acres, with north and south boundary lines run according to the true meridian, by marking the four corners thereof with permanent monuments, so that the boundaries thereof may be readily and easily traced. And all such locators shall, within one year from the passage of this act, or within one year from making such location, file for record in the recording district, and with the register and receiver of the land district in which the lands are located or situated, a notice containing the name or names of the locator or locators, the date of the location, the description of the lands located, and a reference to such natural objects or permanent monuments as will readily identify the same.
>
> SEC. 2. That such locator or locators, or their assigns, who are citizens of the United States, shall receive a patent to the lands located by presenting, at any time within three years from the date of such notice, to the register and receiver of the land district in which the lands so located are situated, an application therefor, accompanied by a certified copy of a plat or survey and field notes thereof, made by a United States deputy surveyor or a United States mineral surveyor duly approved by the surveyor general for the District of Alaska, and a payment of the sum of $10 per acre for the lands applied for; but no such application shall be allowed until after the applicant has caused a notice of the presentation thereof, embracing a description of the lands, to have been published in a newspaper in the District of Alaska published nearest the location of the premises for a period of 60 days, and shall have caused copies of such notice, together with a certified copy of the official plat or survey, to have been kept posted in a conspicuous place upon the land applied for and in the land office for the district in which the lands are located for a like period, and until after he shall have furnished proof of such publication and posting, and such other proof as is required by the coal-land laws: *Provided*, That nothing herein contained shall be so construed as to authorize entries to be made or title to be acquired to the shore of any navigable waters within said district.
>
> SEC. 3. That during such period of posting and publication, or within six months thereafter, any person or association of persons having or asserting any adverse interest or claim to the tract of land or any part thereof sought to be purchased shall file in the land office where such application is pending, under oath, an adverse claim, setting forth the nature and extent thereof, and such adverse claimant shall, within 60 days after the filing of such adverse claim, begin an action to quiet title in a court of competent jurisdiction within the District of Alaska, and thereafter no patent shall issue for such claim until the final adjudication of the rights of the parties, and such patent shall then be issued in conformity with the final decree of such court therein.
>
> SEC. 4. That all the provisions of the coal-land laws of the United States not in conflict with the provisions of this act shall continue and be in full force in the District of Alaska.
>
> Approved, April 28, 1904.

It will be seen that this law permitted a coal locator in Alaska to locate 160 acres of coal lands just as he would locate a mining claim, by setting stakes at the four corners, by having a private survey of his claim made and filed in and approved by the Land Office. Thereupon he might purchase the claim as he might have purchased surveyed coal land had there been any in Alaska.

Mr. JOHNSON of Washington. Did Alaska have any Delegate in Congress at that time?

Mr. WICKERSHAM. No; there was no Delegate until 1907. It will be noticed that the last section of that act extended the provisions of the coal-land laws of the United States not in conflict with the provisions of the act to the District of Alaska, but from 1884 to 1904 there was no coal-land law at all in force in Alaska under which a locator could purchase a single foot of coal land.

Under these acts several hundred coal-land locations were made in the Katalla and Matanuska fields, work of improvement was begun, railroads were projected, towns were located and built on the public domain, and large sums invested by coal locators and the public generally upon the anticipated development of the coal and other resources of the region. The high grade of these coals, the fact that there were no other coals of equal grade on the Pacific coast, their proximity to the seaboard, the opportunity for cheap mining, short hauls, and the entire Pacific for a market, soon led to speculation and efforts at monopoly, even before titles were obtained. This threat of monopoly caused Congress to pass the act of March 28, 1908, the most drastic antimonopoly law which has ever been placed on any statute book, and which is as follows:

> [Public—No. 151.]
>
> An act (S. 6805) to encourage the development of coal deposits in the Territory of Alaska.
>
> *Be it enacted, etc.*, That all persons, their heirs or assigns, who have in good faith personally or by an attorney in fact made locations of coal land in the Territory of Alaska in their own interest, prior to November 12, 1906, or in accordance with circular of instructions issued by the Secretary of the Interior May 16, 1907, may consolidate their said claims or locations by including in a single claim, location, or purchase not to exceed 2,560 acres of contiguous lands, not exceeding in length twice the width of the tract thus consolidated, and for this purpose such persons, their heirs or assigns, may form associations or corporations, who may perfect entry of and acquire title to such lands in accordance with the other provisions of law under which said locations were originally made: *Provided*, That no corporation shall be permitted to consolidate its claims under this act unless 75 per cent of its stock shall be held by persons qualified to enter coal lands in Alaska.
>
> SEC. 2. That the United States shall at all times have the preference right to purchase so much of the product of any mine or mines opened upon the lands sold under the provisions of this act as may be necessary for the use of the Army and Navy, and at such reasonable and remunerative price as may be fixed by the President; but the producers of any coal so purchased who may be dissatisfied with the price thus fixed shall have the right to prosecute suits against the United States in the Court of Claims for the recovery of any additional sum or sums they may claim as justly due upon such purchase.
>
> SEC. 3. That if any of the lands or deposits purchased under the provisions of this act shall be owned, leased, trusteed, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever so that they form part of, or in any way effect any combination, or are in any wise controlled by

any combination in the form of an unlawful trust, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal, or of any holding of such lands by any individuals, partnership, association, corporation, mortgage, stock ownership, or control, in excess of 2,560 acres in the District of Alaska, the title thereto shall be forfeited to the United States by proceedings instituted by the Attorney General of the United States in the courts for that purpose.

SEC. 4. That every patent issued under this act shall expressly recite the terms and conditions prescribed in sections 2 and 3 hereof.

Approved, May 28, 1908.

With the approval of the act of Congress of 1908 the Territory of Alaska had, and now has, in force there:

First. All the general coal-land laws in force in the United States, all the general coal-land laws which provide for the disposal of coal lands in Wyoming, Arizona, Colorado, and the other public-domain States;

Second. The act of Congress of April 28, 1904, permitting the location and sale of coal lands upon the unsurveyed public domain in Alaska, a favor not possessed by the States in the public-land States of the United States; and

Third. The act of Congress of May 28, 1908, authorizing a consolidation or grouping of Alaskan coal lands to the amount of 2,560 acres for large enterprises, giving the United States a preference right to purchase the output for the use of the Army and Navy, and with a drastic antimonopoly clause forfeiting the title of the land to the United States for any unlawful trust or conspiracy in restraint of trade in the mining or selling of the coal mined in Alaska.

Alaska now has, under the plan of private ownership in force in the United States, the most favorable coal-land laws in American territory. We are specially favored, because we have not only the same general coal-land laws in force in the public-domain States of the Union, but the additional special acts of Congress of 1904 and 1908.

After the passage of the act of Congress of 1904, permitting the location of unsurveyed coal lands in Alaska, coal-land claimants there began to locate and make proof to acquire title to the coal lands at Katalla and Matanuska. The small area and high grade of the coal deposits and their proximity to the harbors of the Pacific promised great value and tremendous profits to the owners, and speculators rushed in to secure advantages. Those officially responsible for the enforcement of the coal laws of the United States in that Territory soon brought charges of grave irregularities and efforts to secure a monopoly by those in charge of transportation and capital. These charges provoked so much public interest and seemed to be so well founded that the following official correspondence was had, resulting in the Executive order of November 7, 1906:

DEPARTMENT OF THE INTERIOR,
UNITED STATES GEOLOGICAL SURVEY,
Washington, D. C., November 3, 1906.

The honorable SECRETARY OF THE INTERIOR,
Washington, D. C.

SIR: In further reference to department letter of September 20, No. 2698–1906, L. & R. Div., in reference to withdrawals of land from coal entry, and continuing my reply thereto:

In previous recommendations no reference has been made to coal lands in Alaska. The coal and lignite deposits of that Territory are known to be of commercial value, and much attention has been given to their investigation by this survey. The reasons for withdrawing this coal from entry are fully as urgent as in the case of that in the Western States and Territories, and I therefore suggest that the matter be brought to the attention of the President. Since the land office surveys have not yet been generally extended over Alaska, the coal lands can not be designated by legal subdivision, and I therefore recommend that the order suspending coal entries be made to apply to the entire Territory.

I am sending with this a map of Alaska, showing the distribution of coal and lignites so far as known and also other mineral deposits, the economical development of which is dependent on a cheap fuel supply.

Very respectfully,

H. C. RIZER, *Acting Director.*

Approved:

E. A. HITCHCOCK, *Secretary.*

—

DEPARTMENT OF THE INTERIOR,
Washington, November 7, 1906.

The PRESIDENT:

I transmit herewith a copy of a letter of the 3d instant from the Acting Director of the Geological Survey, with the accompanying map, in which he has recommended that the matter of withdrawing coal lands from entry in the District of Alaska be brought to your attention.

He has stated that the reasons for withdrawing these coal lands from entry are fully as urgent as in the cases of the withdrawals in the Western States and Territories, and I have the honor to request, therefore, that you inform me of the action which you desire taken on the recommendation of the acting director that the order suspending coal entries be made to apply to the entire District of Alaska.

Very respectfully,

E. A. HITCHCOCK, *Secretary.*

—

THE WHITE HOUSE,
Washington, November 7, 1906.

To the SECRETARY OF THE INTERIOR:

In reference to your letter of the 7th instant, inclosing letter of the Acting Director of the United States Geological Survey of November 3, I direct that the proposed action in reference to the coal lands of Alaska be taken. I return the letter of the acting director herewith.

THEODORE ROOSEVELT.

—

DEPARTMENT OF THE INTERIOR,
Washington, November 12, 1906.

Respectfully referred to the Commissioner of the General Land Office, who will take the steps necessary to carry the directions of the President into effect and report action to the department.

E. A. HITCHCOCK, *Secretary.*

Protests were at once made by Alaska coal-land locators that the President's withdrawal prevented those who had made valid and legal locations of coal lands from further complying with the law in their efforts to acquire patents, and two months later the following modification of the President's order was promulgated:

DEPARTMENT OF THE INTERIOR,
Washington, January 15, 1907.

The COMMISSIONER OF THE GENERAL LAND OFFICE.

SIR: By direction of the President all orders heretofore issued withdrawing public lands from entry under the coal-land laws are hereby amended as follows:

"Nothing in any withdrawal of lands from coal entry heretofore made shall impair any right acquired in good faith under the coal-land laws and existent at the date of such withdrawals."

Very respectfully,

E. A. HITCHCOCK, *Secretary.*

Of the many hundreds of coal-land locations then pending in the United States land offices in Alaska and before the Department of the Interior two only have been allowed to prove up and acquire title—one located on the Kenai Peninsula and the other on Admiralty Island. Those two claims have an area of less than 320 acres, contain only low-grade coal, and neither is in the Matanuska or Katalla high-grade fields. All other Alaska coal claims are yet pending or have been canceled for failure to comply with the law.

It never was doubted that we did not have good coal-land laws applicable to Alaska; but the whole difficulty there has arisen between two great sections of political thought, one of which wanted the Government to hold the title to all Alaska coal land and the other wanted to give it out to private ownership. My opinion as to whether the Government ownership of coal lands in Alaska is best or whether private ownership is best is about as worthless a statement as I could make to the House. The people of this country have determined that question, and those in Alaska who prefer private ownership are helpless and in a small minority. The people of this country have determined for themselves that they intend to reserve to the Government the ownership of coal lands, and while I do not approve of everything in the bill from the standpoint of the general public sentiment, it is a good bill, and with one or two amendments I hope this House will pass it. [Applause.]

The CHAIRMAN. The time of the gentleman from Alaska has expired.

Mr. FRENCH. Mr. Chairman, I yield to the gentleman 20 minutes more.

Mr. WICKERSHAM. But troubles arose. They began in Washington, where one branch of the Government was arrayed against another. One branch insisted that there was fraud in Alaska, and there was much to support that insistence, for there certainly were frauds there. The other insisted that all it was necessary was to try out the frauds, throw out the fraudulent claims, and issue patents to those not fraudulent. But after the modification of the order of withdrawal every man who had an honest claim in Alaska, under the coal-land laws, if he could get a hearing and a decision, had the right to it.

Mr. MADDEN. Will the gentleman yield?

Mr. WICKERSHAM. Yes.

Mr. MADDEN. How many of these claims were there?

Mr. WICKERSHAM. Five hundred and sixty are yet undetermined that existed on November 12, 1906.

Mr. MADDEN How many have been determined?

Mr. WICKERSHAM. About an equal number.

Mr. MADDEN. How many were contested cases?

Mr. WICKERSHAM. I do not know except the Cunningham cases were contested.

Mr. MADDEN. So, as matter of fact, all the rest of the claims were legitimate claims?

Mr. WICKERSHAM. I do not know about that.

Mr. MADDEN. If they were adjusted, they were.

Mr. WICKERSHAM. There are 560 claims not yet determined, and I can not tell about those—they are yet unadjusted.

Mr. MADDEN. How many of the 560 claims that have been adjudicated have received patents?

Mr. WICKERSHAM. Two.

Mr. MADDEN. What is the reason the other patents have not been issued? I am asking in good faith, and I think it ought to go into the RECORD if there is a legitimate reason

where a man made an application for a homestead or a mining right, or whatever it is, whenever his case has been adjudicated and proved that he is entitled to the claim, why should not a patent issue?

Mr. WICKERSHAM. The 560 cases have not been decided yet, and, of course, a patent can not issue until the cases are decided.

Mr. MADDEN. I understood the gentleman to say that 560 had been decided.

Mr. WICKERSHAM. Yes; but as to them there is no patent; they were all decided adversely to the claimants. The other 560 have not been decided by the department, and there may never be any patents issued except the 2 mentioned.

Mr. MADDEN. And of the 560 that have been adjudicated only 2 patents have issued?

Mr. WICKERSHAM. Yes.

Mr. MADDEN. The other 558 have been decided adversely?

Mr. WICKERSHAM. Yes.

Mr. MADDEN. And only two cases have been decided favorably to the claimants?

Mr. WICKERSHAM. That is all.

It is generally conceded that the Executive order of November, 1906, withdrawing all Alaska coal lands from location was made in violation of law. Congress undertook to cure the want of authority by passing the act of June 25, 1910 (36 Stat. L., 847), commonly known as the Pickett bill, and thereafter, on July 2, 1910, President Taft, by Executive order, "ratified, confirmed, and continued in full force and effect" the order of November, 1906, made by President Roosevelt. Whether this last Executive order of withdrawal of all coal land in Alaska from location is valid or not is doubtful, but it is effective.

I now place in the RECORD, Mr. Chairman, the official order of July 1, 1910, made by President Taft, ratifying and confirming the former orders made by the President:

DEPARTMENT OF THE INTERIOR,
UNITED STATES GEOLOGICAL SURVEY,
Washington, July 1, 1910.

The honorable the SECRETARY OF THE INTERIOR.

SIR: In accordance with your instructions, I recommend the withdrawal for classification and in aid of legislation affecting the use and disposition of coal deposits belonging to the United States of the following areas:

ORDER OF WITHDRAWAL.

It is hereby ordered that that certain order of withdrawal made heretofore on November 12, 1906, is hereby ratified, confirmed, and continued in full force and effect, and subject to all the provisions, limitations, exceptions, and conditions contained in the act of Congress entitled "An act to authorize the President of the United States to make withdrawals of public lands in certain cases," approved June 25, 1910, there is hereby withdrawn from settlement, location, sale, or entry, and reserved for classification and in aid of legislation affecting the use and disposition of coal deposits, all the public lands and lands in national forests in the District of Alaska in which workable coal is known to occur.

Very respectfully, GEO. OTIS SMITH,
Director.

JULY 1, 1910.

Respectfully referred to the President with the recommendation that the same be approved.

R. A. BALLINGER,
Secretary.

Approved, July 2, 1910, and referred to the Secretary of the Interior.
WM. H. TAFT,
President.

Having thus closed every avenue of development and prevented any attempt to open the coal fields of Alaska through private ownership, Congress is now considering how those coal fields may be opened to the use of the people under Government supervision and control.

The solution of the problem is offered in H. R. 14233, "A bill to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes," now pending before the House. This bill was unanimously approved and reported by the Committee on the Public Lands, and is also specially approved by the Secretary of the Interior.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. Yes.

Mr. MADDEN. I notice this bill provides that 5,160 acres shall be reserved to the Government in the Bering coal field.

Mr. WICKERSHAM. Yes.

Mr. MADDEN. And seven thousand and odd in the Matanuska field?

Mr. WICKERSHAM. Yes.

Mr. MADDEN. I would like to ask how it was decided that fifty-one hundred and odd acres and seventy-one hundred and odd acres were the exact quantities of land that ought to be reserved to the United States?

Mr. WICKERSHAM. I think probably the chairman of the committee can give the gentleman that information better than I can.

Mr. FERRIS. That was the area suggested by the department, and naturally is more or less arbitrary.

Mr. WICKERSHAM. Fifty-one hundred and twenty acres equals eight sections of land.

Mr. FERRIS. The Matanuska field is about twice as large as the Bering field. It is something of a per cent of the total. I do not suppose it would make much difference if they added an acre here or took off an acre there.

Mr. HARDY. Would it not have been better in that reservation, instead of saying not exceeding so much, to say not less than so much? Should not the Government be given the right to reserve more of that land if it wants to?

Mr. WICKERSHAM. In addition to that, I will say that the bill also provides that the President of the United States may reserve not to exceed 5,000 acres in every other coal field in Alaska, of which there are many, so that under the law as it now exists the President can reserve probably 25 or 30 areas of 5,000 acres each in these various coal fields.

Mr. MADDEN. Mr. Chairman, will the gentleman yield again?

Mr. WICKERSHAM. Yes.

Mr. MADDEN. Right in that connection I notice the bill provides that the Government of the United States may go into the coal district on these reservations and regulate the price of coal in case there should be arbitrary prices made for coal that is being sold to the public.

Mr. WICKERSHAM. Well?

Mr. MADDEN. Is it the intention of this reservation to have the Government of the United States go into the business of mining coal?

Mr. WICKERSHAM. I must again refer the gentleman to the chairman of the committee.

Mr. MADDEN. I would like to have the question answered.

Mr. FERRIS. Will the gentleman from Alaska yield to me?

Mr. WICKERSHAM. Yes.

Mr. FERRIS. On page 2 of the bill there is a proviso which undoubtedly does what the gentleman says. That proviso is as follows:

Provided, That the deposits in said reserved areas may be mined under the direction of the President when, in his opinion, the coal is required for Government works or in the construction and operation of Government railroads or is required by the Navy or is necessary for national protection or for relief from oppressive conditions brought about through a monopoly of coal.

It undoubtedly does. We have just authorized the Government to build a railroad, and we undoubtedly ought to have the right to run the railroads.

Mr. MADDEN. Oh, yes—to run the railroad; but you are giving the Government the right to sell coal.

Mr. WICKERSHAM. Mr. Chairman, at this point I will ask unanimous consent to insert in the RECORD some letters and telegrams which I have received from people in Alaska in favor of this bill without reading them.

The CHAIRMAN (Mr. CONRY). The gentleman from Alaska asks unanimous consent to insert in the RECORD certain letters and telegrams. Is there objection?

There was no objection.

The letters and telegrams referred to are as follows:

CORDOVA, ALASKA, *July 15, 1913.*

Hon. JAMES WICKERSHAM,
Delegate from Alaska, Washington, D. C.

DEAR SIR: As a matter of principle we have heretofore opposed what is termed the "leasing system" as applied to the coal and oil lands of Alaska. We have believed that the laws that have in the past so well conduced to the settlement, development, and prosperity of the Western States and Territories of the Union will, if administered with the same liberality, result in an equal measure of prosperity and happiness for the people of Alaska.

The Government, however, seems to have resolved upon a change of policy in the handling and disposition of the public lands. It is unfortunate for us, to say the least, that Alaska happens to be the dog upon which the experiment is to be tried. Such is the fact, however, and we are disposed to recognize and make the best of the situation and give such assistance as we can in working out a practical solution of the questions so vitally affecting the general welfare of Alaska along the lines now being considered by Congress. When we compare the present condition of the Territory and its people with what it would most surely have become under a policy that permitted the free use of our coal and oil in the development of the great resources of the Territory we become somewhat discouraged and desperate and in the humor to support any policy that promises a measure of relief, however inadequate. We want our coal mines opened and the resources of Alaska developed. We will welcome any form of legislation that will contribute to this end. We deprecate any action upon the part of any man or organization of men that tends to delay or defeat such legislation. Now, therefore, be it

Resolved by the inhabitants of Cordova in mass meeting assembled and by the chamber of commerce of said town:

First. We favor the immediate enactment of any leasing law or other form of legislation, sufficiently broad and comprehensive to induce and bring about the opening of our coal mines and the consequent development of the great latent resources of Alaska.

Second. We deprecate and condemn the action of some so-called friends of Alaska, in opposing such legislation, as unwise and untimely and prompted by personal and selfish interests.

Respectfully submitted.

CORDOVA CHAMBER OF COMMERCE,
By RICHARD J. BARRY, *Secretary.*

—

CORDOVA, ALASKA, *June 6, 1914.*

Hon. JAMES WICKERSHAM,
Delegate from Alaska, Washington, D. C.

DEAR SIR: Fully appreciating your efforts in behalf of Alaskan legislation, we desire to urge upon you the importance of the passage of a coal-leasing measure before adjournment in order that the opening up of the vast resources of this Territory may no longer be delayed. It is also vital to the prosperity and happiness of the people of this northern empire.

Thanking you in advance for any assistance you may render in bringing about this desired result, we remain,

Yours, very truly,

CORDOVA CHAMBER OF COMMERCE,
By GEO. C. HAZELET, *President.*
H. G. STEEL, *Secretary.*

—

SEATTLE, WASH., *August 13, 1914.*

Hon. JAMES WICKERSHAM,
House of Representatives, Washington, D. C.:

Cordova Chamber demands opening Alaska coal field to meet war emergency immediately affecting British Columbia supply and asks cooperation this bureau. Submit it to you for any action you may deem expedient.

SCOTT C. BONE,
Chairman Seattle Alaskan Bureau.

—

CORDOVA, ALASKA, *August 12, 1914.*

JAMES WICKERSHAM,
Washington, D. C.:

Prices foodstuff gone up; indications copper mines shut down; looks like general business stagnation; coal measure passed by Congress would relieve situation; please give every assistance.

WICKERSHAM CLUB,
H. THISTED, *Secretary.*

—

CORDOVA, ALASKA, *August 12, 1914.*

Hon. JAMES WICKERSHAM,
Washington, D. C.:

Earnestly urge make fight for opening Alaska coal, account war; also prevent business and industrial stagnation.

CORDOVA CHAMBER OF COMMERCE.

—

JUNEAU, ALASKA, *August 13, 1914.*

JAMES WICKERSHAM,
Washington, D. C.:

Alaskans deem it necessary opening our coal fields on account British Columbia supply liable being cut off due to war.

JUNEAU CHAMBER OF COMMERCE.

—

CORDOVA, ALASKA, *August 14, 1914.*

DEAR SIR: We respectfully call your attention to the necessity for immediate action in the matter of throwing open Alaska coal. We do not presume to suggest the method by which this should be done. What we do insist upon is that it is absolutely necessary to open it in some way at once, either through a leasing system, private ownership, or Government operation, to the end that the coal may be used, not only in Alaska, but on the Pacific coast as well.

In support of this proposition we submit that practically all the coal consumed in Alaska, as well as a large percentage of that used on the Pacific coast, comes from British Columbia. Should this supply be cut off through the war now raging over all Europe, our industries, few as they are, will be paralyzed and widespread desolation will follow.

If Canada herself does not see fit to prohibit the exportation of coal, there is nothing to prevent the nations at war with Great Britain from capturing English coal on the high seas, or even destroying the works on the British Columbia coast.

The war has already resulted in a large increase in the price of all foodstuff and supplies in this Northland, and with the decrease in the value of copper the indications are that these mines will shut down.

Foreign capital is being withdrawn and the mines operated and developed by this money closed down. As an example, we point to the Jualin mine at Juneau and the Mother Lode of the Copper River section, each of which has ceased work since war was declared.

To Alaska the situation is serious, and we believe it is of equal importance to the United States as a whole.

The coal for naval use on the Pacific has been brought around from the Atlantic. To bring this coal to the Pacific it was necessary to use foreign vessels. These foreign vessels are no longer available. There are no American ships for this purpose. Every vessel which flies the American flag which can by any possibility be used for the purpose will be needed for our over-sea trade to take the place of foreign ships that have been withdrawn from the trade. The opening of Alaska coal is therefore a national necessity. It is a necessary part in the scheme for national defense, and the last few weeks have demonstrated that we can not afford to neglect any possible measure tending to strengthen our national defense.

If it is urged that the coal in Alaska is not suited to naval use, we reply that the test made was simply a test of one vein of coal, and is therefore no proof of the field. We confidently assert that the Bering River field has large quantities of coal suitable for naval use, and refer to such eminent geologists as Drs. Brooks and Martin, of the United States Geological Survey, as our authority.

The Bering River field can be opened and coal placed on the market at Cordova in 90 days from the beginning of operations. A line of railroad 38 miles long, branching from Mile 38 on the Copper River & Northwestern Railroad, will reach to the heart of the field.

With these conditions surrounding us, we respectfully ask, "Is it the part of good judgment to longer delay the opening of Alaska coal on some basis, either by a leasing bill of such liberal provisions that American capital will undertake it or by Government operation?"

We appeal to you, who have the power and authority to do this, to give it your earnest and conscientious consideration, believing that you will arrive at the same conclusion that we have, viz, that the opening of Alaska coal is not only an absolute necessity, but a duty that Congress should at once perform.

Very respectfully,

CORDOVA CHAMBER OF COMMERCE,
G. C. HAZELET, *President.*
H. G. STEEL, *Secretary.*

—

HAINES, ALASKA, *August 14, 1914.*

Hon. JAMES WICKERSHAM,
Delegate from Alaska, Washington, D. C.

DEAR SIR: By instructions of the chamber of commerce I have on this date wired the Hon. Franklin K. Lane as follows:

"Request Alaska coal fields open; British Columbia supply liable cut off; good chance Alaskans establish market."

And, further, we wrote the honorable Secretary as follows:

"We believe that should the British Columbia supply be suspended that the development of Alaska would be very much retarded; and, further, that now is a splendid time for the Alaskan coal miner to establish a market for his product."

We hope that you gentlemen in Congress will find some way in relieving the threatened situation.

Very respectfully,

THE HAINES CHAMBER OF COMMERCE,
By HENRY P. M. BIRKINBINE, *Secretary.*

Mr. BURKE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. Yes.

Mr. BURKE of South Dakota. What has been the condition with reference to individuals who may have attempted to help themselves to any of this coal for local use?

Mr. WICKERSHAM. Oh, they have been threatened with arrest and have not been allowed to mine coal because it is said to be in violation of the law. Now, if the committee will bear with me for a few minutes I want to talk about an amendment which I desire to have inserted in this bill. I want an amendment put in this bill, if I can get it, and the chairman of the committee thinks substantially it can be done, which is a copy of section 11 of the Adamson power bill. That bill has passed this House, and the clause which I wish to offer as an amendment to the Alaska coal bill is substantially copied from section 11 of the Adamson bill.

Mr. BURKE of South Dakota. Where does the gentleman want to put it?

Mr. WICKERSHAM. At any appropriate place.

Section 11 of the Adamson bill as it passed this House, and which I wish to add to the bill now under consideration as an amendment thereto, reads:

SEC. 11. That in all cases where the electric current generated from or by any of the projects provided for in this act, including leases under section 14 hereof, shall enter into interstate or foreign commerce, the rates, charges, and service for the same to the consumers thereof shall be just and reasonable, and every unjust and unreasonable and unduly discriminatory charge, rate, or service therefor is hereby prohibited and declared to be illegal; and whenever the Secretary of War shall be of the opinion that the rates or charges demanded or collected on the service rendered for such electric current are unjust, unreasonable, or unduly discriminatory, upon complaint made therefor and full hearing thereon, the Secretary of War is hereby authorized and empowered to determine and prescribe what shall be the just and reasonable rates and charges therefor to be observed as the maximum to be charged and the service to be rendered; and in case of the violation of any such order of the Secretary of War the provisions of this act relative to forfeiture and failure to comply shall apply.

Mr. MADDEN. Will the gentleman yield there?

Mr. WICKERSHAM. Yes.

Mr. MADDEN. Is it proposed to introduce an amendment to this bill which, if it passes, proposes to regulate the price of power created by the use of coal that is mined by private individuals and conveyed a distance from the mines?

Mr. WICKERSHAM. No; this relates to the price of the coal mined by the lessees upon Government coal lands.

Mr. MADDEN. That will affect the current?

Mr. WICKERSHAM. No; it will affect only the coal on these coal leases.

Mr. MADDEN. Does the gentleman believe that the Secretary of the Interior ought to have the power to fix the price that the man who mines coal shall pay the Government and then fix the price at which the coal shall be sold to the private consumer?

Mr. WICKERSHAM. Yes. I feel very strongly that the House ought to permit me to move an amendment to the bill that is substantially the same as one which has received the approval of the House. I refer to the Adamson bill, which is now before the Senate with the approval of this House. I have read the section, which I wish to add as an amendment, from the bill as it is in the Senate and which has had the approval of this House.

Mr. MADDEN. I want to say to the gentleman that it is my deliberate judgment that if any such amendment goes into this bill there never will be an acre of this coal land developed. No man living would invest his capital in the development of the coal fields and mine coal under a Government lease with the Government controlling not only the price that he shall pay for the coal that he mines but which controls the price of the coal which he sells.

Mr. WICKERSHAM. That is exactly what the House put in the Adamson power bill.

Mr. MADDEN. But we did not develop coal, the water is coming down continually——

Mr. WICKERSHAM. But you are leasing the Government power property, you are charging the lessee a royalty on the power, and then you are controlling the price, exactly what I want to do in this Alaska coal-leasing bill.

Mr. MADDEN. That bill has not yet passed.

Mr. WICKERSHAM. It passed this House.

Mr. MADDEN. It did not pass me.

Mr. WICKERSHAM. But it passed this House. Now, in H. R. 16673, or the Ferris power bill, applying to all the public lands in the United States, is a similar provision. Section 3 of that bill provides:

SEC. 3. That in case of the development, generation, transmission, and use of power or energy under such a lease in a Territory, or in two or more States, the regulation and control of service and of charges for service to consumers and of the issuance of stock and bonds by the lessee is hereby conferred upon the Secretary of the Interior or committed to such body as may be provided by Federal statute: *Provided*, That the physical combination of plants or lines for the generation, distribution, and use of power or energy under this act or under leases given hereunder may be permitted, in the discretion of the Secretary, but combinations, agreements, arrangements, or understandings, express or implied, to limit the output of electrical energy, to restrain trade with foreign nations or between two or more States or within any one State, or to fix, maintain, or increase prices for electrical energy or service are hereby forbidden.

That is substantially the same provision that was in the Adamson bill, which has already passed the House and is now pending before the Senate. Some time ago Senator NELSON introduced a bill on the other side of this Capitol, drafted in the departments and which was one of a series known as the Taft conservation bills, substantially in accord with the bill now before this House. In that bill, S. 9055, in section 10, was this provision, and I read it not because the bill ever passed but because it had the approval of President Taft and of his administration, and was introduced in the Senate as one of the administration bills. Section 10 reads:

That the Interstate Commerce Commission is hereby empowered, upon its own initiative or upon the complaint of an aggrieved party, after due hearing, to pass upon and determine and prescribe the present and future rates at which coal mined on the leased premises shall be sold by any lessee under this act in the same manner and to the same extent as in the case of transportation rates of common carriers under the provisions of an act entitled "An act to regulate commerce"—

And so forth.

Now, that is substantially what I want here.

Mr. MADDEN. If I may interrupt the gentleman——

The CHAIRMAN. Does the gentleman from Alaska yield to the gentleman from Illinois?

Mr. WICKERSHAM. Yes.

Mr. MADDEN. I just want to say, that although these bills may have been written and may have been introduced, none of them has ever become the law, and I venture to say that if any such bill ever does become law that you will be dead long before they develop any coal mines in Alaska.

Mr. WICKERSHAM. Now, Mr. Chairman, the bill before the House and all bills of this kind have been drafted substantially after the model of the Canadian law, and I want to call the attention of the House to the Canadian law upon this particular question. I read from the "Coal Mining Regulations," printed by the Government Printing Bureau in 1910 in Ottawa, page 9:

13. All leases of coal-mining rights issued under these regulations shall be subject to the provision that actual settlers shall be entitled to buy at the pit's mouth whatever coal they may require for their own use, but not for barter or sale, at a price not to exceed $1.75 per ton, and the lease issued for coal rights shall be made subject to such provision.

Now, while that is not a reservation or a control of the price, it is the fixing of the price at which the settlers in that country may buy at the pit mouth, namely, $1.75 a ton. It is another way of controlling the price, and I call the attention of the House to that purpose.

Now, when the Adamson bill was before the House the other day, the leader of the majority of this House, Mr. UNDERWOOD, made a speech on this question which is a classic, and I commend it to my friend from Illinois. I am going to read a very brief portion of it, because it is full of common sense and it goes right to the point in this case. Congress ought not to pass an act giving the lessee a low rate of royalty and the contract right to charge any extortionate price he pleases. The theory of this bill is that the consumer is to have cheap coal, and that he can not have without the lessor, the United States, reserves some power to see that the consumer gets it.

Mr. MADDEN. The gentleman would assume that there is no contradiction of that?

Mr. WICKERSHAM. I certainly would. Listen to what the gentleman from Alabama said when the Adamson bill was under consideration.

Mr. MADDEN. I do not always believe what the gentleman from Alabama says.

Mr. WICKERSHAM. It is as clear as sunlight. On page 14175 of the RECORD of July 30, 1914, Mr. UNDERWOOD said this, and I hope the House will listen to it:

Then, what are the people interested in—your constituents and mine? They are primarily interested in but two things, in my judgment. One is that at the end of a fixed period the Government may again put its hand on the proposition and reconstruct it. The other is that during the life of that franchise they may receive the power generated by the plant at a fair and reasonable rate, and that is all they are interested in, because if they get their service at a fair price it is a matter of little concern to them who owns the dam and who controls it. Now, that being so, both those propositions are in this bill without a contest. If the American people can get capital to develop the water power, to furnish them light and heat, to create factories and foundries and employ labor; if they are assured that at the end of the fixed period they may recapture the franchise and readjust the conditions, and if during that period there is a fair and reasonable regulation of the price by public authority, I contend that it is not necessary to go further.

Mr. MADDEN. I want to say to the gentleman that he was against the provision of the bill that the gentleman from Alaska is now advocating. Mr. UNDERWOOD was opposed to the bill.

Mr. WICKERSHAM. Not against what I suggest. He made a good argument in favor of the point I want. Let me read more:

I will say to the gentleman from Maryland that the present law fixes the date at 50 years; and, more than that, this bill puts into the law of the land what is not in the law of the land to-day, and that is the right of regulating the price. Now, that is what the people of the United States are interested in. You may say that the price is not going to be properly regulated. If you say that, why, we might as well abandon legislation and say that we can not legislate in the interests of the people. But if you admit what I believe will be the case—that a reasonable price will be fixed under this law—then the corporation can not amortize its investment, because that regulation will prevent it doing so, in view of the fact that it is going to be paid the fair value of the property at the end of this term, and it should not be allowed to do so.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FRENCH. I yield five minutes more to the gentleman.

Mr. OGLESBY. Would it not be better, for the sake of definiteness, so that the miner would know exactly what he could do with his coal in the way of profit, without having the Government come back later and change the price at which he should sell it, to make a lease to the man who will deliver it at the lowest rate at seaboard and pay the minimum price?

Mr. WICKERSHAM. That might be a good proposition.

Mr. OGLESBY. That would be by agreement, and he would know in advance the conditions under which he could operate.

Mr. WICKERSHAM. Here is what this Congress is proposing to do, to lease the coal lands in Alaska at a minimum price in royalty of not less than 2 cents per ton. The Senate bill, substantially the same as this, provides that there shall not be less than 2 nor more than 5 cents per ton. Now, the Government leases these lands at a minimum royalty. The bill provides for a contract of lease for an indeterminate term—perpetually—and the lessee enters under the contract signed by the United States, authorized by an act of Congress. The lessee is in possession under a contract authorized by Congress, which can not be changed for a long period of time. The contract as authorized by this bill will not even attempt to restrain or control the lessee in rates or prices, and he may charge the consumer all the traffic will bear.

Mr. BUTLER. The gentleman is informed, and I am not, but I would like to ask if that coal would be in competition with the coal here in the East?

Mr. WICKERSHAM. No; substantially not. Really there will be no competition, and the lessee may charge such extortionate rates as he pleases.

Mr. BUTLER. I thought the gentleman said that.

Mr. WICKERSHAM. What I said was that there will be no other competition than that which will arise from coal mined in the eastern part of the United States.

Mr. BUTLER. And that will be none?

Mr. WICKERSHAM. That will be none. The Alaska lessee can put up the price as high as he pleases. Congress will then have created a Government monopoly under Government ownership, under such terms that can not be modified or changed for the life of the contract. It is proposed to enact a law authorizing the United States to lease its coal lands at the minimum rate of royalty, ostensibly to give the consumer cheap coal, but it is also then proposed by this bill to contract with the lessee that he may fix the price of the coal to the consumer without condition or limit. Having a Government contract for an indeterminate period, which can not be changed or modified, and having

the lawful power to fix the rate without limit, a lessee will have a Government monopoly such as we have never yet been cursed with in America. The Government should not contract away its power to control excessive prices of the necessities of life, as is done with coal by this bill.

Mr. HUMPHREY of Washington. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. I will yield first to the gentleman from Illinois [Mr. MADDEN].

The CHAIRMAN. The gentleman from Alaska yields to the gentleman from Illinois.

Mr. MADDEN. There will be competition between the owners of the mines, will there not?

Mr. WICKERSHAM. I am not so sure about that.

Mr. MADDEN. Does not the gentleman know that the average rate of profit made by men who mine bituminous coal does not exceed and does not approach 5 cents a ton?

Mr. WICKERSHAM. That is true in the States of the East, where you have large areas of coal, but where, as there is in the Bering River coal fields, only a small area of 24 square miles, owned by one landlord—the United States—with one line of transportation to it——

Mr. MADDEN. I thought the Government was building a railroad there.

Mr. WICKERSHAM. The conditions are such that the Government ought to keep its finger on the rate, just as we do on the freight transportation by railroads.

Mr. PLATT. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Alaska yield to the gentleman from New York?

Mr. WICKERSHAM. Yes.

Mr. PLATT. What is the character of the British Columbia coal that is sold on the coast now? Is it not a high-grade coal?

Mr. WICKERSHAM. It is bituminous coal.

Mr. PLATT. It sells at from $14 to $20?

Mr. WICKERSHAM. Yes. The Government has paid as high as $28 a ton in some places for it.

Mr. PLATT. Can this Alaska coal be put down cheaply?

Mr. WICKERSHAM. Yes; at $2 a ton, not including the transportation.

Mr. PLATT. But it has got to be put down at the seaboard, has it not?

Mr. WICKERSHAM. Yes.

Mr. PLATT. You would not regard the British Columbia competition as a price regulator?

Mr. WICKERSHAM. No; not for the interior of Alaska. But in quality the British Columbia coal does not equal the Alaska coal.

Mr. HUMPHREY of Washington. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Alaska yield to the gentleman from Washington?

Mr. WICKERSHAM. Yes.

Mr. HUMPHREY of Washington. The gentleman is talking on a subject of great importance, and I have tried to follow him, but I may have missed some of his discussion. Does the Government propose to hold this coal field?

Mr. WICKERSHAM. Yes.

Mr. HUMPHREY of Washington. Does not the antitrust law extend to Alaska?

Mr. WICKERSHAM. Yes; the antitrust law has extended to all the country, but it is not effective and will have less effect when the United States has issued its contract of lease.

Mr. HUMPHREY of Washington. Does the gentleman believe there is danger of monopoly under conditions which he mentions, with the Government owning all the coal fields? How much will it reserve?

Mr. WICKERSHAM. Five thousand acres in each field, or 15,000 in the three fields.

Mr. HUMPHREY of Washington. Well, with the Government reserves and with our antitrust laws and public sentiment growing every day in favor of enforcing them, does the gentleman believe there is any danger of monopoly in the coal fields of Alaska?

Mr. WICKERSHAM. I am not talking so much about monopoly as about the question of price or excessive price.

Mr. HUMPHREY of Washington. The question of monopoly is the one I was interested in. So far as the price is concerned, if there is no monopoly the price will regulate itself, and the more you charge in the way of a lease that much more will eventually appear in the price.

Mr. WICKERSHAM. As it is now, the Government will charge them what it pleases. Mr. Chairman, the amendment I propose to offer to this bill, when I get an opportunity, is as follows:

That in all cases where the coal mined, extracted, or produced from any lands or mines leased under the provisions of this act shall be sold, exchanged, or stored in the Territory of Alaska or shall enter into interstate or foreign commerce the rates, prices, and charges for same to the consumers thereof shall be just and reasonable, and every unjust and unreasonable and unduly discriminatory rate, price, or charge therefor is hereby declared illegal, and whenever the Secretary of the Interior shall be of the opinion that the rates, prices, or charges demanded or collected for the sale, exchange, or storage of such coal are unjust, unreasonable, or unduly discriminatory, upon complaint made therefor and full hearing thereon the Secretary of the Interior is hereby authorized and empowered to determine and prescribe what shall be the just and reasonable rates, prices, or charges therefor to be observed as the maximum to be charged, and in case of the violation of any such order of the Secretary of the Interior the provisions of this act relative to forfeiture and failure to comply shall apply.

The CHAIRMAN. The time of the gentleman from Alaska has expired.

Mr. FRENCH. Mr. Chairman, I yield 30 minutes to the gentleman from Iowa [Mr. SCOTT].

The CHAIRMAN. The gentleman from Iowa [Mr. SCOTT] is recognized for 30 minutes.

Mr. SCOTT. Mr. Chairman, as I understand the rule under which the committee is proceeding, the ordinary privilege of debate is not accorded in the House as in Committee of the Whole House on the state of the Union. What I purpose to say has no more relevancy to the subject of the pending bill than the remarks of the gentleman from Texas [Mr. BURGESS], who addressed the committee a little while ago.

Mr. BUTLER. Why not ask unanimous consent?

Mr. SCOTT. I understand that the committee has no power to give unanimous consent; but I will say this, that if there is any gentleman here who objects to my addressing the House now upon a subject other than the bill, I hope he will interpose his objection now.

Mr. BUTLER. Mr. Chairman, I ask unanimous consent, inasmuch as the same privilege was accorded to the gentleman from Texas [Mr. BURGESS], that the gentleman from Iowa may speak on any subject he chooses.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. BUTLER] asks unanimous consent that the gentleman from Iowa [Mr. SCOTT] may proceed to the discussion of matters not pertaining to the subject matter of this bill. Is there objection?

Mr. DONOVAN. Mr. Chairman, reserving the right to object, does the gentleman from Iowa object to stating what the subject matter of his speech will be?

Mr. SCOTT. Not at all; and I want to say further that if there are those here who desire to proceed upon this bill strictly, I do not want to stand in the way of debate upon the bill. My subject will be the nine months' effects of the present revenue laws with respect to labor and agriculture.

Mr. DONOVAN. Mr. Chairman, we have not the right in committee to change the rule. The gentleman will have to get back in the House in order to do that.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. DONOVAN. Yes.

Mr. STAFFORD. Does not the gentleman think it ill becomes a gentleman on that side to raise an objection after we granted the privilege to the gentleman from Texas to make a 40-minute address on a political subject?

Mr. FERRIS. Mr. Chairman, will the gentleman yield?

Mr. DONOVAN. Yes.

Mr. FERRIS. The gentleman from Connecticut and myself are good friends, and the gentleman from Connecticut will recall that the other side not only agreed to a Member on our side using that time, but yielded half the time. Nobody is opposed to this bill.

Mr. DONOVAN. Mr. Chairman, if it is agreed to commence to read the bill at the conclusion of that 30 minutes, I will withdraw my objection.

Mr. HUMPHREY of Washington. All time has not expired for general debate yet.

Mr. STAFFORD. Reserving the right to object, Mr. Chairman, I would like to inquire of the gentleman from Idaho if there are other gentlemen desiring to speak on this side?

Mr. DONOVAN. Mr. Chairman, if I may be permitted, as I understand, there is no opposition to this bill.

Mr. FRENCH. Mr. Chairman, I have quite a number of gentlemen upon the list of those who desire to speak upon the bill. Some of them are not ready this evening, and I hope, under the circumstances, and especially in view of the courtesy which was extended to the gentleman from Texas [Mr. BURGESS], the gentleman from Connecticut will permit the gentleman from Iowa to proceed.

Mr. DONOVAN. Under the rules, Mr. Chairman, if nobody desires to speak, of course the Clerk must proceed with the reading of the bill. We have no right to change a rule that was made in the House. We are here in Committee of the Whole.

The CHAIRMAN. Is there objection?

Mr. DONOVAN. The Chair should adhere to the rule, and the rule requires debate on the subject matter only.

Mr. GOOD. Regular order, Mr. Chairman.

Mr. JOHNSON of Washington. I hope the gentleman will withdraw his objection.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none, and the gentleman from Iowa [Mr. SCOTT] is recognized for 30 minutes.

Mr. SCOTT. Mr. Chairman, less than a year and a half ago the Republican Party, yielding to the result of an election rather than to the will of the people, relinquished control of every department of the National Government to its Democratic opponent. The pluralities prevailing at the general election of 1912 were such as to relieve the situation of all doubt that the voters of the country, then as theretofore, were rigorously opposed to the principles and policies of the Democratic Party. The great Republican Party, after a career of more than half a century replete with achievements evidencing the highest capacity and fitness for popular government, divided over the nomination of a candidate for the Presidency. The events which led up to that division, and ultimately to a change of party control in the Government, originated in an unfortunate series of party controversies—the belated outcome of methods of party procedure which had become both antiquated and obnoxious. The conceded facts, the clear-cut contentions which marked the division of Republicans at Chicago in June, 1912, leave no question as to the ability and desire of substantially the entire membership of the Republican Party to meet upon common ground touching all essential party principles and policies. And with the Republicans of the country upon common ground, supporting the great fundamental principles of that party, no opportunity would exist for Democrats to subject the prosperity and happiness of the people to experiments with fallacious theories and misconceptions. [Applause.]

The leaders of the Democratic Party were not only conscious of this when they met at Baltimore, but so keenly did it impress them that they were constrained to give a warning note proclaiming the opportunity that was not likely to pass their way again. Mark the language of their platform:

> At this time, when the Republican Party after a generation of unlimited power in its control of the Federal Government is rent into factions, it is opportune to point to the record of accomplishments of the Democratic House of Representatives of the Sixty-second Congress.

At this time, when the Republican Party is rent into factions, it is opportune to put forth the oft-rejected policies so aptly typified by the emblem of the Democratic Party. What a flash of instinctive wisdom illuminated their prophetic minds when they saw their great adversary slipping from the throne of reason and following the impulses of passion and anger. But, Mr. Chairman, reason may be relied upon to claim her own. She is a chaste mistress and not often found in company with Democratic opportunity.

But opportunity was present, and our genial Democratic friends were not slow to take advantage of it. They promulgated a platform characteristic of its authors and true to their modern sophistical system of philosophy. The document dealt with many particulars; in fact, as many as seemed to afford points of contact with every dissatisfied element and to give opportunity for the advancement of every fallacious theory. On the whole, it might have been resolved into one general proposal to give everybody everything. It promised a commercial system which, if judged by the declarations of its exponents upon the stump and later in the halls of Congress, would make everything bought cheap and everything sold dear. It promised to materially reduce the cost of the necessaries of life to the consumer, and at the same time greatly enhance the prosperity of the producers of those commodities. It promised to throw open the markets of this country to the competition of the world without injuring any legitimate industry. It promised to increase the opportunity, remuneration, and prosperity of American labor by putting its product in competition with the product of the underpaid labor of every foreign nation. It promised to give increased prosperity to the American farmer, and at the same time give over his market to the unrestricted competition of the agricultural products of the new and cheap lands of Canada and Argentina and every other foreign country with a surplus. It affected sincerity when it promised to build up an American merchant marine and to put the American flag again upon the sea, to redeem our share of the commerce of the world for American bottoms, without imposing any additional burden on the people and without bounties or subsidies from the Public Treasury. And this notwithstanding the fact that every foreign nation now having substantial commerce on the sea pays a subsidy to its ships. It promised to administer the civil-service law honestly and rigidly, to the end that merit and ability should be the standard of appointment and promotion, with the implication, now verified by results, that every public station should be filled by a faithful Democrat. It promised a reduction in the number of offices and salaries, which, it was alleged, drained the substance of the people, but this Congress has created and is in process of creating more offices with higher salaries than any other Congress observed by the present generation. It denounced the profligate waste of money and lavish appropriations by recent Republican Congresses and demanded a return to that simplicity and economy which befits a Democratic government. This denouncement the Democratic Congress has followed by appropriating more money than was ever experienced before in the history of this country. It promised that the constitutional rights of American citizens should protect them on our borders and go with them throughout the world, and any American citizen residing or having property in any foreign country should be given protection both for himself and for his property. That promise, so far as our American citizens in Mexico are concerned, is yet to be fulfilled. It promised exemption from the payment of tolls of American ships engaged in the coastwise trade passing through the Panama Canal, a promise since repudiated under conditions which marked the action as one of "stupendous folly."

Denouncing the Republican policy of protection not merely as unwise and oppressive, but as unconstitutional, the Democrats once more declared for a policy of a revenue tariff as one not only calculated to relieve the people from oppression, but as one economically calculated to bring an enhanced and permanent prosperity. With a divided Republican Party the Democrats were successful at the election of 1912, notwithstanding their declaration of policies. They were to be given full control of every department of the Government at a time and under conditions which ought to prove the efficacy or inefficacy of the Democratic economic policy beyond every reasonable doubt. This country was never so strong, both industrially and financially, as it was at the time of the election of Woodrow Wilson to the Presidency and the present Democratic Congress in November, 1912. That year had marked the very apex of the prosperity of the American people. Never before had wealth been accumulated so rapidly in this country as during the four years preceding the present administration. At the time of the election in 1912 every industrial concern of the country was operating to its fullest capacity. All commodities were in demand at highly remunerative prices; labor of every class was more generally employed and at a higher standard of wages than ever before in the history of this or any other country. Our foreign commerce had been developed to a condition of greater volume, strength, and stability than we had ever before experienced. These were the conditions complained of by the adherents of the Democratic Party; these were the conditions which they promised to improve upon.

It is pertinent now to examine the record of occurrences which have transpired during the period of time since it became known that a change in the industrial policy of this country was about to take place. It is pertinent now to inquire whether conditions existing in 1912 have been improved upon as a result of Democratic legislation.

BALANCE OF TRADE.

I think it is universally recognized as a fundamental proposition that the individual or the country that constantly or habitually produces and sells more than it buys and consumes will grow prosperous and rich. The converse of the proposition is, necessarily, equally true.

For 16 years this country had enjoyed a balance of trade varying from over $400,000,000 to approximately $700,000,000 annually. The last year that we had experienced an adverse balance of trade followed the election of a Democratic President and a Democratic Congress 20 years before. During the month of November, 1912, which witnessed the success of the Democratic Party at the polls, we purchased abroad merchandise aggregating $153,094,898 and sold abroad merchandise aggregating $279,244,191, leaving a balance of trade in our favor for that month in the sum of $126,149,293.

Let us now see what became of this stupendous trade balance existing at the time of the defeat of the Republican Party. With the convening of Congress in December, 1912, a Democratic Ways and Means Committee promptly set about to prepare for the revision of the tariff. That committee pursued its work industriously during that entire session of Congress, and

with the close of the Sixty-second Congress and the inauguration of the present Executive, a special session of Congress was called with that end in view. The work was continued throughout the summer, which finally resulted in the passage of the Underwood bill. But no sooner had the election of 1912 passed and work upon the Underwood bill begun than a period of uncertainty and want of confidence became evident. Business was depressed and opportunity for labor became restricted. The output of factories was reduced, and this condition continued throughout the year.

The balance of trade so strong in November, 1912, began to decline until in November, 1913, it was reduced to $97,333,856. The Underwood law became generally effective October 4, 1913. Not all of its provisions, however, became effective at that date. Some of the provisions did not take effect until November 1; others on December 1; and still others, notably Schedule K, the wool schedule, on January 1, 1914. The reduced duties of the sugar schedule did not take effect until March 1, 1914, and the provision for free sugar will not take effect until May, 1916. Following the enactment of the Underwood law the country witnessed not only continued but increased business depression. The balance of trade continued to decline until in January, 1914, it was reduced to $49,713,394.

I have prepared and will ask leave to insert in the RECORD at this point a number of tables containing groups of figures showing the comparative increase of imports over exports and the decline in our balance of trade monthly since the Underwood law became in force. Speaking in round numbers, in January, as I have said, our balance was $49,000,000; in February that balance decreased to $23,000,000; in March, a further decrease to $4,000,000. In April our enormous balance of trade had entirely disappeared, and the record showed a balance against us for that month of more than $11,000,000. The balance of trade has continued against us month by month since that time.

Imports and exports balance, foreign trade, January to June, inclusive, 1914.

JANUARY.

Total imports of merchandise	$154,418,247
Total exports of merchandise	204,131,641
Balance in favor of United States	49,713,394

FEBRUARY.

Total imports of merchandise	147,973,376
Total exports of merchandise	171,605,138
Balance in favor of United States	23,631,762

MARCH.

Total imports of merchandise	182,762,954
Total exports of merchandise	187,499,234
Balance in favor of United States	4,736,280

APRIL.

Total imports of merchandise	173,896,476
Total exports of merchandise	162,550,870
Balance against United States	11,345,606

MAY.

Total imports of merchandise	164,209,515
Total exports of merchandise	161,732,619
Balance against United States	2,476,896

JUNE.

Total imports of merchandise	$157,772,973
Total exports of merchandise	157,119,451
Balance against United States	653,522

Total imports and exports for the years ending June 30, 1913 and 1914.

1913. Imports	$1,812,978,234	
1914. Imports	1,894,169,180	
Balance increase		$81,190,946
1913. Exports	2,465,884,149	
1914. Exports	2,364,626,555	
Balance decrease		101,257,594
Total decrease of foreign commerce		182,448,540

Total imports and exports, April, May, and June, 1913 and 1914.

APRIL.

1913. Imports	$146,195,280
1914. Imports	173,896,476
Increased imports, 1914	27,701,196
1913. Exports	199,815,538
1914. Exports	162,550,870
Decreased exports, 1914	37,264,668

MAY.

1913. Imports	$133,446,012
1914. Imports	164,209,515
Increased imports	30,763,503
1913. Exports	194,598,244
1914. Exports	161,732,619
Decreased exports	32,865,625

JUNE.

1913. Imports	131,215,877
1914. Imports	157,772,973
Increased imports	26,557,096
1913. Exports	163,404,916
1914. Exports	157,119,451
Decreased exports	6,285,465
Loss of commerce:	
April, 1914	64,965,864
May, 1914	63,629,128
June, 1914	32,842,561
Total loss, 3 months	161,437,553

It will be noted from these figures that the year ending June 30, 1914, as compared with the year 1913 showed an increase of imports of more than $81,000,000 combined with a decrease of exports of more than $101,000,000, thus indicating a total loss of commerce of more than $182,000,000, notwithstanding the fact that the Underwood law had been in force only three-fourths of that time, and as to certain schedules only one-half that time. It is further significant to note that of this $182,000,000 loss in foreign trade about $161,500,000 occurred during the months of April, May, and June of this year.

Mr. COOPER. Will the gentleman permit an interruption?

Mr. SCOTT. Yes.

Mr. COOPER. Those three months were before there was any war in Europe or any thought of war, were they not?

Mr. SCOTT. Yes.

This stupendous decrease in the volume of our foreign trade and the adverse balance do not, however, indicate the entire significance of the effect of the present tariff law. Its effect upon the volume of our trade is important, but even more so is its effect upon particular classes of imports and exports. Foreign trade is sensitive, and will invariably follow the line of least resistance. This being true, the revenue-tariff system in general, and the present law in particular, is calculated to affect injuriously two great classes of our citizens more than any others. The wage-earning classes and the agricultural classes are the direct recipients of the shock of this adverse balance of trade.

LABOR.

The American laboring man now witnesses the product of his labor offered and sold to the consumers of his own country in direct competition with like and competing commodities produced in Europe and elsewhere abroad as a result of labor which receives a wage varying from 25 to 50 per cent of the wage which he receives. Not only this, but he sees the product of his labor brought in direct competition with the product of classes of labor in Europe and elsewhere which, under the laws of this country, he is no longer required to meet to any considerable extent here. Into our ports from abroad is coming the product of child labor, underpaid female labor, pauper labor, and prison labor of Europe and Asia. True, we have undertaken to exclude a portion of these products, but experience demonstrates that such legal provisions are practically futile. There is no way by which the man in the customhouse in an American port can determine what class of labor entered into the production and manufacture of the merchandise offered for entry.

I invite the attention of the House to a few statistics taken from the Summary of Commerce and Finance, issued by the Department of Commerce. I do this in order that Members may see upon what classes of our productions foreign competition impinges most directly and strongly. Comparing the period of January to June, inclusive, 1913, with 1914 the statistics show with respect to the free list that imports of foodstuffs and food animals in crude condition increased from $80,000,000, in round numbers, to $102,000,000, 27 per cent; that imports of foodstuffs partly and wholly manufactured increased from $3,954,000 to more than $24,570,000, 500 per cent; that imports of manufactures for further use in manufacturing—the American manufacturers' material—increased from $91,000,000 to $102,000,000, or only 12 per cent; while manufactures ready for consumption increased from $32,000,000 to $60,000,000, or 90 per cent.

Imports ready for consumption compared with imports of raw and partially manufactured material.

Groups.	January to June (inclusive)— 1913	1914
IMPORTS.		
Free.		
Crude materials for use in manufacturing	$254,562,479	$306,563,520
Foodstuffs in crude condition and food animals	80,880,007	102,258,164
Foodstuffs partly or wholly manufactured	3,954,236	24,570,335
Manufactures for further use in manufacturing	91,260,700	102,682,979
Manufactures ready for consumption	32,287,580	60,795,261
Miscellaneous	4,465,892	6,009,320
Total	467,350,891	602,880,579
Dutiable.		
Crude materials for use in manufacturing	64,673,193	39,993,792
Foodstuffs in crude condition and food animals	15,563,434	21,178,021
Foodstuffs partly or wholly manufactured	98,305,796	106,729,295
Manufactures for further use in manufacturing	89,532,576	52,480,383
Manufactures ready for consumption	147,432,377	155,337,281
Miscellaneous	1,728,631	2,190,737
Total	417,236,007	377,909,509
EXPORTS.		
Crude materials for use in manufacturing	281,324,170	305,661,782
Foodstuffs in crude condition and food animals	84,306,956	52,258,300
Foodstuffs partly or wholly manufactured	165,755,200	134,103,734
Manufactures for further use in manufacturing	307,026,442	184,901,922
Manufactures ready for consumption	403,007,989	347,052,199
Miscellaneous	4,896,320	3,801,327
Total	1,246,317,077	1,027,779,264

The comparative increase of importations of dutiable articles is not so great as those upon the free list. Analysis of these increases clearly indicates that the provisions of the law as framed and the duties as laid are calculated to permit importation into this country foreign products freely or with some restriction as the particular product may or may not embody a large per cent of labor. In other words, the manufactures ready for consumption, and which contain the full complement of cheap foreign labor, come to our ports more freely and increase at a greater ratio than partially manufactured products which contain a smaller amount of labor.

The reason for this is clear. The product of the foreign factory imported into this country represents in value about 10 to 15 per cent of so-called raw material and about 85 to 90 per cent of labor, measured by the American standard. The finished product when imported must be sold in the American market in competition with like commodities produced here and at the same price. The American standard of wage varies from two to five or six times that of the foreign wage. The man abroad who has entirely completed his product with cheap labor can pay transportation and meet American competition more effectually than the man who has only partially completed it, for the latter's product must be finished ready for consumption with American labor paid at the higher rate. The result of this economic law is that the foreigner with a completed product ready for consumption seeks our market more readily than any other, for he receives in his profit the full difference of the labor price, while the man with the partially manufactured product receives only a part. This result is fully substantiated by our experience under the present law. Under that law imports of partially manufactured articles increased only about 12 per cent, while imports of wholly manufactured articles increased about 90 per cent. The increase, however, whether in the greater or lesser degree, deprived American labor of just that much work.

In our loss of foreign trade during the last year, amounting to more than $182,000,000, approximately $165,000,000 in wages was lost to the laboring men of this country. The old contention that American labor is reimbursed for this loss by the export of his domestic product can not be urged in this case, for our imports have not only increased, but our exports have decreased. The foreigner seems to have gotten the advantage both coming and going. This fully explains the phenomenon of more than 3,000,000 laboring men being out of employment in this country during a considerable portion of the past year.

Let us suppose the relaxation of our immigration laws to such an extent as would permit the bringing in of foreign contract labor sufficient to permit that labor, working for the wages which it now receives abroad, to produce in this country products aggregating $161,000,000 within the space of three months. With what equanimity do you think the American laboring man would look upon such a policy? With what satisfaction do you think he would enjoy that kind of competition? To ask these questions is to answer them. Such a condition would not be tolerated. But how much better is it for the American laboring man to have the same amount of product made abroad brought free into the American market and offered in competition with his product? The only difference is that in the first case the poorly paid imported foreign labor would spend a portion or all of their money here, and in the second instance all of their wages would be spent abroad. We prohibit the direct importation of foreign cheap contract labor as a protection to our own wage earners. Why should we not at least reasonably restrict the importation of the product of cheap foreign labor when it results in competition equally severe?

In order to illustrate the kind of competition that American labor is facing under a policy of free importation of the product of foreign labor, I ask leave to insert a number of tables of statistics showing the comparative wages received by American and foreign workmen in the various trades and arts.

GENERAL TRADES.

Predominant range of weekly wages in certain occupations in specified industries, by countries, reported by the Bureau of Labor in March, 1911.

[Compiled from reports of an inquiry by the board of trade into working-class rents, housing, and retail prices, together with rates of wages in certain occupations in the principal industrial towns of the United Kingdom, 1908; Germany, 1908; France, 1909; Belgium, 1910; United States, 1911.]

Countries.	Building trades. Bricklayers.	Stonemasons.	Carpenters.	Joiners.
England and Wales (excluding London)	$9.12–$9.85	$9.04–$9.57	$8.80–$9.57	$8.80–$9.57
Germany (excluding Berlin)	[1] 6.55– 7.60	([2])	6.55– 7.60	.....
France	5.25– 7.02	5.25– 7.02	5.84– 7.36	5.78– 6.43
Belgium	[1] 5.05– 5.84	([2])	4.91– 6.14	4.97– 5.70
United States	26.77–30.42	23.42–26.77	16.73–21.90	16.73–21.90

Countries.	Building trades. Plasterers.	Plumbers.	Painters.	Hod carriers and bricklayers' laborers.
England and Wales (excluding London)	$8.88–$10.14	$8.60–$9.67	$7.66–$9.12	$5.92–$6.57
Germany (excluding Berlin)	.....	5.84– 6.93	5.84– 7.22	4.74– 5.84
France	5.78– 7.06	5.84– 7.02	5.21– 6.43	3.85– 4.83
Belgium	5.01– 5.96	4.91– 5.70	4.56– 5.25	3.65– 4.38
United States	24.33– 29.00	21.29–27.37	15.82–20.68	12.17–16.73

Countries.	Engineering trades. Fitters.	Turners.	Smiths.	Pattern makers.
England and Wales (excluding London)	$7.79–$8.76	$7.79–$8.76	$7.79–$8.76	$8.27–$9.25
Germany (excluding Berlin)	6.33– 7.79	6.57– 8.03	6.93– 8.03	6.20– 7.30
France	5.84– 7.02	5.84– 7.42	6.12– 7.73	6.20– 7.24
Belgium	4.81– 5.56	4.99– 5.92	4.89– 5.96	4.77– 5.84
United States	15.41–18.13	15.41–18.13	16.47–20.76	18.13–22.30

Countries.	Engineering trades. Laborers.	Printing trade: Hand compositors (job work).
England and Wales (excluding London)	$4.38–$5.35	$6.81–$8.03
Germany (excluding Berlin)	4.38– 5.35	6.02– 6.31
France	3.79– 4.66	5.56– 7.02
Belgium	3.14– 3.95	4.68– 5.56
United States	9.12–10.65	16.73–19.77

[1] Including stonemasons. [2] Included in bricklayers.

ARMS AND AMMUNITION.

Statement showing comparison of wages paid in Belgium and the United States in the manufacture of firearms and ammuni-

tion, furnished Congressman GOOD, of Iowa, in April, 1914, by the Chief of Ordnance of the United States Army:

Designation.	Belgium.	United States.[1]
	Per hour.	*Per hour.*
Drop forger	$0.08 to $0.13	$0.37½ to $0.50
Barrel rolling	.08 to .13	.34⅜
Forging	.08 to .13	[2]
Power milling (miller)	.08 to .13	.25 and .28⅛
Hand milling	.07 to .13	.25 and .28⅛
Profiling	.07 to .13	.31¼ to .37½
Drilling	.05 to .06	.31¼
Tapping	.05 to .06	.31¼ to .37½
Shaving	.07 to .13	.31¼ to .34⅜
Polishing	.05 to .10	.32½ to .37½
Filing	.09 to .13	.31¼ to .37½
Woodworker (machinery):		
Stock turning and drilling	.07 to .09	.31¼ to .40⅝
Stock sanding and polishing	.10 to .14	.31¼ to .40⅝
Assembling, etc	.09 to .14	.31¼ to .37½
Toolmakers	.10 to .16	.40⅝ to .46⅞
Machinists	.10 to .16	.37½ to .43¾
Packers	.06 to .10	.28⅛ to .28⅛
Common laborers	.06 to .10	.25
Draftsmen	[3]25.00 to 80.00	[4]83.33 to 100.00

[1] Rates taken from Springfield Armory. All male employees in United States. A large majority of these employees work on piecework, and make from 10 to 20 per cent more than day wages.
[2] See drop forger.
[3] Per month.
[4] Per month. Some of the arsenals employ a larger number of draftsmen than others, and the rate of pay extends to $183.33 per month.

Comparison of wages paid in Belgium and United States in the manufacture of ammunition.

Designation.	Belgium.	United States.[1]
	Per hour.	*Per hour.*
Machine operators (women)	$0.05 to $0.07	$0.14½ to $0.19
Automachine tenders	.12 to .16	.40⅛
Machinists	.12 to .16	.31¼ to .50
Toolmakers	.12 to .16	.34⅜ to .47
Helpers	.05 to .09	.25
Carpenters	.07 to .10	.37½ to .40
Electricians	.07 to .10	.31¼ to .53
Steam fitters	.07 to .10	.31¼ to .34⅜
Draftsmen	[2]25.00 to 80.00	[2]75.00 to 166.67

[1] Rates taken from Frankford Arsenal. [2] Per month.

Proportion of males and females employed: 400 men to 100 women in United States. A large majority of these employees work on piecework and make from 10 to 20 per cent more than day wages.

TEXTILE WORKERS.

(Alpaca, cotton, wool.)

Comparative list of wages paid in Bradford, England, and United States of America on March 1, 1913.

[These figures are supplied by combers, spinners, and manufacturers of mohair and alpaca, who make identically the same classes of goods on the same classes of machinery, running at the same speed in both countries. The hours of labor in England are 55½ and in the United States of America 56 per week. One-half penny to equal 1 cent.]

	England, Bradford wages.	United States, Greystone wages.	Approximate percentage of persons employed in each department.
			Per cent.
Wool-sorting room: Sorters	$2.40	$4.37	3½
Combing room:			
Combers and carders—			
Males	4.68	8.60	
Females	3.36	7.50	10
Fixers	8.16	18.25–19.35	
Drawing room:			
Drawers, females	3.00	7.50	
Twisters, females	2.92	7.50	7½
Warpers, females	3.48	8.60	
Spinning room:			
Spinners—			
Short spools, 160 spindles	2.28	5.35	
Long spools, 160 spindles	2.40	6.45	
Short spools, 240 spindles	2.76	6.45	
Long spools, 240 spindles	2.88	7.50	25½
Short spools, 320 spindles	3.24	7.50	
Long spools, 320 spindles	3.36	8.60	
Doffers	2.28	5.35	
Weaving room:			
50 picks per inch in cloth	.48	1.49	
60 picks per inch in cloth	.58	1.81	
70 picks per inch in cloth	.68	2.11	
80 picks per inch in cloth	.78	2.41	28
90 picks per inch in cloth	.88	2.71	
100 picks per inch in cloth	.98	3.01	
Loom fixers	8.64	17.20	
Perchers	6.24	13.00	5
Menders	3.84	10.75–11.30	

Comparative list of wages paid in Bradford, England, and United States of America on March 1, 1913—Continued.

	England, Bradford wages.	United States, Greystone wages.	Approximate percentage of persons employed in each department.
			Per cent.
Power plant:			
Firemen	$6.00	$12.50	
Watchmen	6.00	15.00	
Engine tenders	6.72	13.50–15.60	
Greasers	5.04	12.50	7½
Elevator attendants	3.84–4.32	9.65	
Mechanics	7.92–8.40	16.10–17.20	
Blacksmith	7.92	17.20	
Carpenters	6.72–8.16	16.10–17.20	
Yarn scouring, beaming, etc	4.56	10.00	5½
Apprentices:			
First year	1.92	6.50	
Second year	2.40	7.50	
Third year	2.88	9.00	
Fourth year	3.36	10.50	

GREYSTONE, R. I., *April 23, 1913.*

COTTON.

Wages per week.

[Comparing the United States with European countries.]

	Hours per week.	Highest.	Lowest.	Average.
MALE.				
United States	54 to 58	$21.00	$5.50	$9.50
Scotland	49	12.97	3.89	5.36
England	55	14.55	3.88	7.76
Italy	58	11.58	.98	2.80
Spain	63½	8.67	1.38	3.86
Russia	60	5.58	1.78	3.65
Russia, Maritime Provinces	66½	7.72	1.95	3.43
Russia, Poland	64½	7.86	1.78	3.55
Belgium	66	6.78	.79	2.83
Switzerland	58	8.52	4.22	4.78
Germany	58½	14.00	1.82	3.87
Austria	57	9.88	3.40	4.39
Hungary	60	10.42	1.30	3.91
Japan, skilled	66	3.00	.....	.....
Japan, unskilled	66	1.70	.75	.....
FEMALE				
United States	54 to 58	12.50	5.00	8.50
Scotland	49	5.83	1.52	3.05
England	55	7.66	1.70	3.46
Italy	58	3.47	1.15	1.59
Spain	63½	4.51	1.04	2.43
Russia	60	3.93	1.58	2.54
Russia, Maritime Provinces	66½	2.96	1.40	2.29
Russia, Poland	64½	3.43	1.53	2.29
Belgium	66	3.25	.74	2.07
Switzerland	58	3.90	1.93	2.74
Germany	58½	4.98	1.18	2.43
Austria	57	5.28	1.53	3.25
Hungary	60	2.83	.65	1.81
Japan	66	1.00	.60	.....

Wages paid for a 54-hour working week (9-hour day).

[Figures compiled by California Cotton Mills Co., of Oakland, Cal.]

	United States.	Great Britain.	France.	Germany.	Switzerland.	India.	Japan.
Textile machinists	$16.50	$8.75	$6.50	$6.00	$5.50	$3.10	$2.75
Cotton spinners	12.50	6.20	3.95	3.80	3.50	2.75	2.10
Cotton weavers	13.50	7.20	4.10	4.00	4.00	3.00	2.75

WOOL.

Comparative wages in American and English woolen mills.

[From the report of the Tariff Board on Schedule K, Table 47.]

Occupation.	Sex.	Average full-time earnings of 55.6 hours.		Excess, United States over Great Britain.
		United States average weekly earnings.	United Kingdom average weekly earnings.	
				Per cent.
Wool sorter	Male	$12.38	$7.22	71.5
Do	do	13.42	7.71	74.1
Do	Female	9.71	.....	.....
Do	do	11.19	.....	.....
Wool washers, scourers, driers	Male	8.21	4.93	66.5
Do	do	.....	6.04	.....

Comparative wages in American and English woolen mills—Continued.

Occupation.	Sex.	Average full-time earnings of 55.6 hours.		Excess, United States over Great Britain.
		United States average weekly earnings.	United Kingdom average weekly earnings.	
				Per cent.
Card strippers and tenders	Male	$7.81	$5.45	43.3
Comb tenders	do	7.85	4.26	74.3
Do	Female	6.52	3.00	117.3
Backwash and gill-box minders	Male	6.73	.....	.....
Do	Female	5.84	2.83	106.4
Drawing-frame tender	Male	6.80	.....	.....
Do	do	8.39	.....	.....
Do	Female	6.21	2.68	131.7
Do	do	6.79	3.41	99.1
Wool spinners (mule)	Male	10.40	5.98	73.9
Do	do	11.75	7.93	48.2
Warp dressers	do	12.94	6.53	98.2
Do	do	14.12	7.91	78.5
Worsted frame spinners	do	7.40	.....	.....
Do	Female	6.40	2.25	184.
Do	do	6.46	.....	.....
Reelers	do	5.46	2.94	85.7
Do	do	6.93	3.56	94.7
Winders	Male	7.13	.....	.....
Do	do	7.75	.....	.....
Do	Female	5.53	2.66	107.9
Do	do	7.08	3.35	111.3
Woolen weavers	Male	10.63	6.21	71.2
Do	Female	10.54	3.83	175.2
Worsted weavers	Male	12.36	6.12	102.0
Do	Female	9.55	3.59	166.0
Burlers	do	5.15	3.20	92.2
Do	do	7.12	3.51	102.8
Menders	do	7.77	3.63	114.0
Do	do	9.19	4.30	112.2
General laborers	Male	8.21	4.74	73.2

LEATHER—SHOE INDUSTRY.

[Figures taken from data compiled by Menzies Shoe Co., Detroit, Mich., and secured by them from Government reports by the Department of Commerce and Labor.]

	United States, per week.	United Kingdom, per week.
Cut sole leather, dieing-out machine, skilled	$14.00	$7.29
Cut sole leather, dieing-out machine, unskilled	9.00	2.92
Foreman, sole leather stock fitting	20.00	9.73
Miscellaneous unskilled work, boy	7.00	2.43
Pull over, Rex machine	13.50	7.29
Operate consolidated lasting machine	15.00	10.22
Operate Rex rotary pounder	11.00	7.29
Tack on outer soles	12.00	7.29
Operate standard screw machine	16.00	8.50
McKay sew	15.00	8.51
Level, Hercules	12.00	8.51
Total	145.00	79.98
Ratio, per cent	100	55

MINING.

Wages paid in Idaho and Mexico.

	Coeur d'Alene, Idaho	Mexico.
Miners	$3.50 to $4.00	$0.75
Muckers	3.00 to 3.50	.50
Laborers	3.00 to 3.50	.50
Timbermen	3.50 to 4.00	$0.75 to 1.00
Pumpmen	4.00	1.00
Engineers	4.50 to 5.00	1.00
Shift bosses	5.00 to 6.00	.....
Track and pipe men	3.50 to 4.00	1.00
Blacksmiths	4.00 to 5.00	1.00 to 1.25
Blacksmiths' helpers	3.50 to 4.00	.75
Machinists	4.50 to 5.00	1.00
Millmen	3.50 to 4.00	.65

Average, Coeur d'Alene, $3.60; day's work, 8 hours. Average, Mexico, 80 cents; day's work, 10 to 12 hours.

One of the last acts of the last Republican administration was the approval by President Taft, on March 4, 1913, of the law establishing a Department of Labor and making its chief officer a member of the President's Cabinet, under the designation of Secretary of Labor. That department took over the old Bureau of Labor from the Department of Commerce and Labor, created by the Republican Party more than 10 years before. The function of this department is accumulating information, both in this country and abroad, which may be valuable both in the framing of legislation and keeping those engaged in the various occupations of the country in touch with world conditions. In other words, this department of the Government means protection to American labor. It has always been the policy of the Republican Party to protect labor. This has been accomplished by the maintenance of laws restricting and regulating immigration and prohibiting the bringing in of foreign contract labor. In this way American labor has been relieved in large measure from unfair and oppressive competition. The Republican Party, recognizing that unfair competition was oppressive to the laboring classes of this country, has barred the way to that competition without regard to the particular form under which it might appear. The tendency of unfair and oppressive labor competition is to reduce wages and minimize opportunity for employment. It is immaterial whether we bring in the alien laborer under contract to perform the service here or whether we permit him to perform that service and bring into our market without restriction the product of his labor. The result in either case is the same. The Republican Party has therefore stood for policies which restricted the bringing in of products the result of cheap labor abroad. Men may say that the bringing into this country of two hundred or three hundred million dollars' worth of foreign products ready for consumption tends to reduce the cost of living by cheapening that product; but before that argument will be accepted as sufficient they must prove that the 90 to 95 per cent of cheap foreign labor that enters into that product has no influence upon the standard of wages of American workmen or the amount of work available for them in this country.

TARIFF AND THE FARMER.

I have pointed out what, in my opinion, is the effect of the Democratic system of levying import duties and the tendency of the existing tariff law in its effect upon the wage earners of the country. Pursuing another phase of this, to my mind, fallacious system, I ask the attention of the House while I advert to its effect upon the other great class of our citizens to which I have referred. There are now estimated to be more than six and a half million farms in the United States. Upon these farms reside and are employed approximately 30,000,000 of our people. These people have invested in farm property more than $45,000,000,000. These farms produce annually commodities approximating $10,000,000,000 in value. The possibilities of increased cultivation and production of our agricultural lands is beyond any safe conjecture.

If there is, or has been, any doubt that the happiness, prosperity, and safety of the whole American people rests upon the prosperity and material wealth of the American farmer, that doubt ought to be effectually dispelled by the evident peril of hunger and starvation which now confronts the warring nations of Europe.

If the farmers of this country are to be strong and prosperous, they must not only have means of production and transportation but they must have markets—constant, sure, and dependable markets. And the most dependable market which the American farmer can have is the market which the needs and desires of 100,000,000 active, busy American people create. The market abroad is of course desirable; it permits us to dispose of our surplus and augments our national wealth; and we should be always prepared to redeem our share of its advantages. But the foreign market is not constant and our competition is ever increasing. If we permit our home market to languish, or by glutting it with foreign product discourage and render unprofitable the pursuit of agriculture at home, we weaken that great industry, we diminish that essential national resource, and we imperil the prosperity of the entire country. Give the American farmer his own market and he will by the strength of his own industry take care of himself in the markets of those countries that have less than enough.

It is a fallacious theory that you advance when you say that when our surplus is small by reason of poor crop or calamitous epidemic that the grain and meat product of foreign countries should be without restriction thrown upon our markets to beat down the price of the husbandman's meager store. The farmer is entitled to the poor advantage of the incident of the lean year. He has devoted the full measure of toil. He has incurred the full measure of expense. He has sustained the loss of the yield or the herd's increase. Would you still further oppress him by defeating the profit upon the little that remains? He does not do so with you who manufacture and produce the things which he has to buy. When the supply is short, he pays the price. It will not do to say that you have also cleared his way to the foreign market, for it has now been demonstrated

that the importer and the middleman absorb the difference before it reaches him.

I said there were six and a half million farms in this country. But groups of figures invoke small conception of the significance of this fact. And I fear that we of this period too often obscure our appreciation not only of what these farms have cost, but of their great influence in the development of the country. These farms represent the life labor of all the generations in the different agricultural sections of the country. Their present value no longer bears any approximate relation to virgin soil either here or elsewhere. They have become the improved and developed equipment of a great modern people. Not only that, but they have equipped and developed themselves and the country. Upon agriculture was imposed the great burden of netting our country with railways, and the product of the farm and the commodities consumed by the farmer and those dependent upon him have contributed more to their maintenance and development than any other phase of our industrial life. Upon the farmer has been imposed the burden of building the stupendous grain, stock, and meat market facilities of the country. Many hundreds of millions of dollars have been absorbed from the farmer's product to build the vast elevator storage systems; stockyards, large and small, packing houses, and meat-storage plants, all in the last analysis have been made a charge upon agriculture. I know there are those who will dispute this and say that the cost has been passed along to the ultimate consumer. This may be true theoretically, but it is not actually so in this instance. When we consider the farmer's price for his own product as compared with the price paid by the ultimate consumer for the same product, and when we familiarize ourselves with the methods that have prevailed in the grain and stock markets of the country, we are convinced that the farmer has had to a considerable degree his prices fixed for him, irrespective of the general law of supply and demand of the country. Combination and manipulation have undoubtedly deprived the farmer of a material part of his legitimate profit; enough, I believe, during the last 30 or 40 years to have built all of the market equipment of the United States. There is now imposed upon the farms of the United States another great task, that of netting the whole country with a finer mesh of improved highways. The good-roads movement is entitled to the support of all, but the burden will fall upon the farms.

Now, in view of all that the farmer has done in the past and all that is expected from him in the future, I, for one, believe he is entitled to an even start and a fair chance in the race with the other industrial classes of the country. I do not believe he ought to be discriminated against. I believe, however, that he is discriminated against as compared with many classes engaged in other pursuits; and especially do I believe that he is treated unjustly with respect to the conditions of foreign competition imposed upon him.

Substantially everything that the farmer produces, under the existing tariff law, is on the free list. There is a small countervailing duty on wheat which our greatest, nearest, and most dangerous competitor can remove at will, and a duty of 6 cents per bushel on oats. Sugar is not yet, but soon will be, on the free list. We are told that the farmer does not need protection; that by teaching improved agricultural methods he will be able to outstrip all competitors in the markets at home and abroad. In the meantime, some way or other, he will get along. We are told that protection does not benefit the farmer, anyway; that the foreign market fixes his price and that import duties collected at the border will not increase that price. Well, if that be true, any tariff would be a tariff for revenue, and we are now losing the revenue. If that be true, what becomes of the argument for a reduction of the cost of living?

I do not believe that it is true. I believe that free trade reduces the price of the American farmer's product, and that as against competition in his home market the foreign price has lost much of its influence; that while it equalizes values abroad, under the dissimilarity of conditions between exporting countries at home, its influence is very largely neutralized before it reaches the producer.

I concede that where two countries are similarly situated, each producing a surplus and each having equal facilities and access to the controlling foreign market for that surplus, the foreign market will substantially equalize the price for the commodity in the two exporting countries, and that a tariff between them would not materially affect the price. But in that case there would be little or no commerce between them in the given commodities.

But, on the other hand, where the two countries are not similarly situated, one having vastly superior facilities for reaching the foreign market, in that case the foreign price will not equalize prices in the producing countries, but the one favorably situated will take and hold an advantage in the export market; and if the country with the poor facilities and less easy access to the foreign market is adjacent to the other country and there is no impeding obstacle, it will seek the market of that country rather than the foreign market, and competition will ensue and the price will go down.

There is a material difference between competition at home at or near the point of production and competition in a foreign market affecting only your surplus. The producers of agricultural commodities are a numerous class; they can not effectively organize, and to glut their market invariably depresses the price.

We can test this matter, however, by our own experience. Whenever this country has produced a large surplus of cereals the price at home has gone down, and the larger our surplus the more the price has declined. This has been true even though the world supply of the commodity has not materially increased. A large world supply, of course, tends to decrease the price; a world shortage tends to increase the price. But given two years with the world's supply equal our farm price has always responded to conditions at home. A short crop has increased the price, and a large crop has lowered the price.

The principle to which I have referred is exemplified in the case of the United States and Canada. Both of these countries are great producers of cereals, both usually having a surplus. In the past that surplus has been largely sold in a common market abroad, but the farm price of American grain has been higher than the farm price of Canadian grain.

I have studied the market conditions and methods of these two countries with some degree of care, and can arrive at no other conclusion than that the market conditions and facilities of the United States are very much superior to those of Canada and that we have in the past reaped the advantage of this superiority and may continue to do so by restricting the importation of the Canadian products into our markets.

Western Canada in 1912 sowed more than 10,000,000 acres of wheat, about 5,000,000 acres of oats, as well as large quantities of barley, flax, and other cereals. Her yield exceeds that of the United States. Her soil is rich and fertile. Her land, commercially speaking, is low in value compared with land in the United States, so that farms may be improved and operated with small capital.

In 1912 the estimated amount of wheat produced in the United States was 730,267,000 bushels; oats, 1,418,337,000 bushels. The estimated production of Canadian Provinces for the same year was: Wheat, 205,682,000 bushels; oats, 381,502,000 bushels. It will be observed that Canada's production of wheat and oats was nearly one-third that of the United States, but it must be recalled that Canada's production is increasing by leaps and bounds.

Statistics from the Department of Agriculture show for the year 1913 an average wheat yield in the United States to be 15.2 bushels per acre; average for the past five years, 14.66 bushels per acre. Yield of oats, 1913, average, 29.2 bushels per acre; for the past five years, 30.58 bushels per acre.

The census statistics of Canada for the last year available (1912) show an average yield of spring wheat of 21 bushels per acre; average yield of oats, 41 bushels per acre.

Statistics of the Department of Agriculture for the year 1909, the last available figures, show an average cost of production of wheat in the United States to be $7.85 per acre, exclusive of rent, and $11.15 per acre including rent; oats, $7.13 per acre, exclusive of rent, and $10.91 per acre including rent.

Canadian statistics show for 1911 an average cost of production of wheat of $10.19 per acre, exclusive of rent, and $12.87 including rent; oats, $9.92 per acre, exclusive of rent, and $12.61 including rent.

It must be borne in mind, however, that these figures are based upon the experience of eastern Canada, where intensive farming prevails. There were no accurate figures available for western Canada at that date. It must be recalled that the cost of production in Canada is decreasing as the country develops. Until the last two or three years teams, implements, seed, labor, and all supplies were high in western Canada. That condition is becoming, in a measure, ameliorated. On the other hand, the cost of production in the United States is constantly increasing. Increase of rentals, labor, and other factors have materially increased the cost of production of grain grown in the United States since 1909. It is safe to say that at the present time the cost of production of wheat, oats, and other cereals in Canada, exclusive of rent, is much lower than in the United States; so that when we consider the comparative value of land and Canada's larger yield, we find the farmer of the United States at a marked disadvantage as to cost of production compared with the Canadian farmer.

Canada, however, has many drawbacks as compared with the United States. Among them are the absence of a large home market, milling, transportation, and export market facilities. Time, capital, and interest charges also enter into the equation. These obstacles prevent Canada reaching foreign markets quickly and economically and result in her seeking the market of the United States, even though it is a surplus country.

The methods of marketing American and Canadian grain differ according to the conditions of the two countries. In the United States grain first moves from the farm to the local market. Passing through the country elevator it proceeds to the great primary markets of the country. At the primary market it is cleaned and subjected to a variety of different treatments, graded and finally distributed to the consuming centers and territory. That portion of the grain that is fit and desirable for export passes through the primary market to the great export points where it again goes into storage and at the proper time moves by water to the surplus market abroad. Our system of home markets is a triple one. First, the local points with their untold number of small units, the country elevators; second, the primary market, having the greatest storage capacity of all, for these markets must receive practically all of the grain, or at least a very large portion of it; third, the export point, the storage capacity of which is large, but not nearly equal to that of the primary market. The total storage capacity of the grain centers of the United States, including primary and export markets, aggregates more than 218,000,000 bushels. Grain is sold for export at all of these markets, and actually exported from nearly all of them. The seaboard export markets alone of the United States have more than 60,000,000 bushels capacity as compared with Canada's 6,000,000 bushels. There are no statistics as to the aggregate storage capacity of the country elevators of the United States. Taking the best factors I can obtain I have estimated the capacity at 1,000,000,000 bushels. These figures probably fall short, however.

Canada's total storage capacity, including all country elevators on all lines of railroad, aggregates only 127,000,000 bushels. Only about 22,000,000 of this aggregate is comprised within her grain centers. The bulk of Canada's grain, unlike that of the United States, is stored in the country at local points. The necessity for this practice lies in the lack of transportation facilities. Canada relies largely upon water transportation through the Great Lakes and her rivers and canals. Navigation of these waters closes early in December each year and remains closed until about the middle of April. This closed period of navigation extends to and includes Quebec. Quebec, however, is not a grain market and has no storage capacity. Montreal is the last grain market upon the waters enumerated. It is therefore evident that Canada can export little grain during the winter months, her only available open harbor during the winter being Vancouver, except through the United States.

With the permission of the House, I will insert at this point two tables showing the total grain storage capacity of Canada by Provinces and the primary and export market capacity of the United States.

CANADA—CAPACITY OF ELEVATORS IN PROVINCES.

The warehouse commissioner at Winnipeg, Manitoba, furnishes the following statement of elevator and warehouse capacity in various Provinces of Canada for 1913:

	Number.	Bushels.
WEST OF THE LAKES.		
Manitoba	708	22,253,150
Saskatchewan	1,252	36,303,000
Alberta	340	11,565,500
British Columbia	9	562,000
Ontario	4	1,740,000
Lake terminals	20	29,380,000
Total	2,333	102,003,650
Last year	2,045	89,777,500
EAST OF THE LAKES.		
Ontario	15	17,600,000
Quebec	5	5,620,000
New Brunswick	2	1,500,000
Nova Scotia	1	500,000
Total	23	25,220,000
Last year	23	20,635,000
Grand total	2,356	127,223,650

NOTE.—These figures do not include privately owned elevators or warehouses not on lines of railway and subject to the provisions of the Manitoba grain act. The number of these is small.

UNITED STATES—CAPACITY OF ELEVATORS AT CENTERS.

The elevator capacity of different cities is shown below:

	Number of elevators.	Capacity.
		Bushels.
Minneapolis	50	38,500,000
Chicago	65	31,495,000
Duluth	24	32,265,000
Milwaukee	4	4,000,000
Baltimore	6	5,500,000
St. Louis	37	10,025,000
New York	16	13,005,000
Boston	4	2,700,000
Cincinnati	5	1,200,000
Buffalo	22	18,900,000
Kansas City	34	12,250,000
Detroit	12	3,900,000
Indianapolis	9	1,955,000
Philadelphia	5	3,400,000
Omaha	17	7,200,000
Montreal	5	5,750,000
Newport News	2	2,750,000
New Orleans	11	5,305,000
Toledo	9	4,815,000
Cleveland	15	1,820,000
Seattle	2	1,550,000
Galveston	4	3,900,000
Louisville	7	3,000,000
Nashville	21	3,540,000
Evansville	8	740,000
Vancouver	6	400,000
Tacoma	7	3,550,000
Total	407	224,465,000
Montreal and Vancouver	11	6,150,000
Total	396	218,315,000

In the light of these transportation and market facilities and conditions of Canada and the United States, I invite the attention of the House to the effect which the Underwood law has had upon importation of farm products into the United States. The Underwood law had been in force nine months with the close of the fiscal year ending June 30, 1914. I therefore take that period for comparison with the nine months ending June 30, 1913. Substantially all of the wheat and oats imported into the United States came from Canada. During the nine months ending June 30, 1913, there was imported into the United States wheat aggregating 472,385 bushels, less than half a million. During the nine months ending June 30, 1914, there was imported into the United States wheat aggregating 1,971,430 bushels, almost 2,000,000, or an increase of substantially 300 per cent. During the same period in 1913 there was imported into the United States oats aggregating 79,966 bushels; during that period for 1914 there was imported into the United States oats aggregating 22,276,137 bushels.

What is true of importations of wheat and oats and other cereals from Canada is true of corn imported from Argentina. Substantially all of our corn importations come from Argentina. For the nine months ending June 30, 1913, there had been imported into this country corn aggregating 274,733 bushels, or slightly more than a quarter of a million. During the nine months ending June 30, 1914, there was imported into this country corn aggregating 11,843,166 bushels, or approximately forty times that of the like previous period.

Now, it must be considered that this marvelous increase of importation of wheat, oats, and corn took place immediately after the passage of the present law. No intervening time elapsed for preparation by Canada or Argentina, and we had been pursuing a policy in the past that very much restricted importation of grain and grain products from these countries. If, however, these countries understand that it is to be the permanent policy of this country to admit these products substantially free, or with very low duties, and that they are to have access to the markets of the United States, they will prepare for additional importation. Especially will it tend to develop rapidly western Canada, and we may look for a continued increase of marketing of Canadian grain in the United States.

The importation of foreign grain into our primary markets exerts its influence very quickly not only upon the value of the grain imported, but of all the grain in this country. This fact is illustrated strikingly in the importation of oats for the periods I have mentioned. The 1913 importations of substantially 79,900 bushels showed a value of more than $37,500, or substantially 47 cents per bushel, import price. The 22,276,000 bushels imported in 1914 showed a value of $7,882,000, or substantially 33 cents per bushel, import price. Now, the statistics compiled by the Department of Agriculture for 1909,

which I have pointed out are much too low at the present time, show the average cost of production of oats in this country, exclusive of rent, to be 20 cents per bushel, and, including rent, 31 cents per bushel. It would be safe to add 5 cents per bushel to each of these sets of figures under present conditions. This decline of 14 cents per bushel on oats was in the face of the fact that our crop had decreased from 1,418,000,000 bushels in 1912 to 1,121,000,000 bushels in 1913 and that Canada's crop had only increased 339,000 bushels and the entire world's yield had only increased 4 per cent.

The great bulk of our oats are thrashed from the stack. They are permitted to go through the sweat either in the stack or in the bin. They do not reach the primary markets until November, December, and January. The Canadian oats are thrashed from the shock, and such portion of them as can get access to our markets are shipped immediately. Beginning with October and continuing through November, December, and January, the Canadian oats shipments last year were concentrated upon our markets just at the time our home oats were being delivered. This simply proves that with continued importation of oats from Canada into our markets oats can no longer be produced at a profit in the United States. Oats has always been the second crop of importance in the State of Iowa. We find it necessary to raise a large acreage of oats in order to change our corn land, and it is an important factor with the Iowa farmer whether he can raise oats at a reasonable profit or at a loss.

The admission of corn from Argentina will not, of course, have so serious an effect upon our markets here as the admission of wheat and oats from Canada. However, Argentina's competition in corn has the same tendency. We must constantly bear in mind that Canada has but about 20,000,000 acres under cultivation, whereas she has that many acres ready for the plow and which will also be brought into cultivation as fast as her resources and population permit of its development. Argentina has equal advantages so far as territory is concerned. Her corn production is merely in its infancy. Her lands available and suitable for the production of corn are very extensive and capable of multiplying her present production a great many times. The question for the farmer of the United States to determine is whether it is best for him that this country should make permanent its present policy of admitting agricultural products of those other countries to our markets free; whether it will affect the American farmer favorably or unfavorably to give to the foreign producer equal advantages in our home market and equal access to all of the transportation and market facilities which have been developed and paid for by the American farmer.

The increase of importation of agricultural products does not stop with cereals. During the period of nine months ending June 30, 1913, we imported into this country cattle aggregating 366,130 head. During the like period ending June 30, 1914, we imported 725,584 head, or substantially double the number of the previous period. The importation of sheep for the same periods increased from 13,000 to 220,000; meats from a little more than half a million to nearly 200,000,000 pounds; eggs from less than a million to nearly 6,000,000 dozens. With the permission of the House, I will insert a table illustrating the increase of importations during the periods mentioned, covering 25 of the principal products of the farm.

Increase of importations.

Article.	Total imports for nine months, October, 1913, to June, 1914, inclusive, under tariff law of 1913.		Total imports for nine months, October, 1912, to June, 1913, inclusive, under tariff law of 1909.	
	Quantity.	Value.	Quantity.	Value.
Cattle.....number..	725,584	$16,345,448	366,130	$5,771,094
Horses.....do....	29,911	1,803,930	7,852	1,386,086
Sheep.....do....	220,809	391,648	13,330	74,127
Animals, other (including live poultry).....	.....	584,915	.....	201,027
Bread and biscuits.....	.....	354,244	.....	207,433
Corn.....bushels..	11,843,166	7,598,702	274,733	160,761
Oats.....do....	22,276,137	7,882,733	79,966	37,678
Wheat.....do....	1,971,430	1,755,955	472,385	368,846
Hay.....tons..	143,865	1,410,738	106,026	956,812
Beef and veal.....pounds..	176,333,072	15,140,173		
Mutton and lamb.....do....	12,690,924	1,112,294		
Pork.....do....	4,594,602	537,946	.....	1,103,949
Prepared and preserved meats..	.....	1,754,888		
Bacon and ham.....pounds..	2,006,960	383,669		
All other meats.....	.....	693,665		
Sausage and bologna..pounds..	553,422	141,235	597,648	133,877

Increase of importations—Continued.

Article.	Total imports for nine months, October, 1913, to June, 1914, inclusive, under tariff law of 1913.		Total imports for nine months, October, 1912, to June, 1913, inclusive, under tariff law of 1909.	
	Quantity.	Value.	Quantity.	Value.
Sausage casings.....	.....	$2,227,856	.....	$1,753,179
Milk and cream, fresh and condensed.....	.....	1,889,752	.....	859,039
Butter and substitutes..pounds..	7,390,147	1,646,408	980,622	258,367
Cheese and substitutes...do....	48,090,810	8,775,541	38,084,797	7,027,405
Eggs.....dozen..	5,832,725	1,059,593	[1] 953,823	[1] 143,784
Vegetables:				
Beans.....bushels..	1,416,566	2,504,214	711,511	1,383,695
Onions.....do....	810,956	742,291	573,730	361,222
Peas, dried.....do....	771,023	1,638,709	657,200	1,074,849
Potatoes.....do....	3,572,493	1,746,391	308,960	279,103
All other in natural state...	.....	1,374,413	.....	1,172,418
Wool, unmanufactured..pounds.	223,146,052	48,730,303	136,169,670	25,040,880
Total.....	.....	130,127,564	.....	49,739,631

[1] Eggs, quantity and value for 9 months estimated as three-fourths quantity and value for whole year ending June 30, 1913.

The foregoing table, giving the results of the Underwood law for the first nine months after its enactment will indicate how alert other nations are for markets and how ready they will be to take advantage of the market afforded by the hundred million population of the United States. And while we examine the tabulated results touching these agricultural commodities we must not lose sight of the fact that importations of manufactures ready for consumption have increased in almost an equal ratio.

A very important factor in the consideration of importations of corn from Argentina is the matter of water-transportation rates. The Argentina corn-producing territory is very accessible to seaboard; therefore the cost of transporting the commodity to the consuming centers of the United States has a very material influence upon the competition. During last March I made quite an extensive investigation touching the matter of rates upon corn from Argentina to American ports, also as to the volume of importations at that time and the ports receiving the same and the particular industries using Argentina corn at that time. In a communication which I received March 6, 1914, from the office of the Interstate Commerce Commission, it is stated:

> The last consignment of corn from Argentina was shipped at the rate of 8 shillings per ton to Atlantic seaport points. * * * Some of the rates from American to European ports are at present as follows:
>
> Boston to Liverpool, 2⅛ cents a bushel.
> New York to Liverpool, 2⅛ cents a bushel.
> New York to Rotterdam, 4 cents a bushel.
> New York to Hamburg, 4⅛ cents a bushel.
> New York to Antwerp, 3⅝ cents a bushel.
> New York to Copenhagen, 5⅛ cents a bushel.
> New York to London and Manchester, 3⅝ cents a bushel.
> New York to Glasgow, 4 cents a bushel.

Another communication of March 7, giving advices from Boston, states:

> Shipments of corn from Argentina to this country are usually made in tramp steamers and generally shipped in sacks. The latest rates are in the neighborhood of 7s. 6d. to 8s. per ton from Argentina to American ports, and were substantially the same from Argentina to European ports * * * Rates from our Atlantic seaboard to European ports at the present time vary from about 2 cents per bushel of 60 pounds to Liverpool up to about 5 cents per bushel to other United Kingdom ports, and the rates to continental ports vary from about 3⅛ cents per bushel of 60 pounds to Antwerp and Rotterdam up to about 7⅛ cents per bushel to some of the Mediterranean and French ports. These rates are by the regular lines of steamers. Outside steamers can be chartered at equal to about 4⅛ to 5 cents per bushel to the cheaper ports, and rates to Mediterranean and French ports a little under those in effect via the regular lines.

Under communication of March 11, 1914, containing advices from Baltimore, it is stated:

> That about 8,000,000 bushels of Argentine grain have been brought to our American ports; that some interior distribution has been made, but that the greater portion of it has been used by the Corn Products Co., of New York.

Under communication of date, March 16, I have advices from Galveston, Tex., as follows:

> This is the first season within which corn has been imported from Argentina through the port of Galveston, and no other kind of grain from Argentina has reached this port. The importation of this season was due largely to shortage of the corn crop in Texas, resulting

from drought. The production of corn in Texas is limited because, due to climatic conditions, they are unable to preserve a large crop without having suffered ravages of the corn weevil, which begins its operations in the winter and spring months. When they have surplus, it is exported, because of the fact that it will not keep. Ten cargoes of corn have been received from Argentina at Galveston, all in tramp ships, consigned to the Rosenbaum Grain Co., etc. * * * The freight charges varied on these shipments from 7 shillings to 12 shillings 6 pence per ton of 2,240 pounds.

In early November, 1913, Kansas City corn was worth about 84 or 85 cents per bushel delivered at south Texas points. The first cargo of Argentine corn was offered at 76½ cents per bushel free on board cars at Galveston. The maximum freight rate from Galveston to Texas points was about 7 cents per bushel, which made the Argentine corn salable at about 83½ cents. The Argentine corn is offered now in Galveston at 69½ cents free on board cars.

In a communication under date of March 24, bringing advices from New York, it is stated:

The importations of Argentine corn at the port of New York in the latter part of 1913 and the early part of 1914 were as follows: September, 420,000 bushels; October, 664,500 bushels; November, 1,103,900 bushels; December, 1,493,100 bushels; January, 1,561,300 bushels; February, 728,200 bushels. The rates changed from 15 shillings in September, 1913, to 8 shillings in February, 1914. The ocean rates on grain from New York to European ports are stated to be as follows: To Liverpool, 1½ pence; London, 1⅝ pence; Glasgow, 1½ and 1⅝ pence; Bremen and Hamburg, 30 pfennig.

It is quite evident from the experience of the last nine months that importation of Argentine corn into the United States was made possible entirely by the removal of the duty. It is further evident that exporters of Argentine corn recognize the American market as a very desirable one, and considering the very low rates of water transportation that have prevailed, it enables the importers of Argentine corn to distribute that product throughout the eastern consuming centers of the United States at a great advantage over the producers in the Mississippi Valley. An average rate of transportation from Iowa, Nebraska, Kansas, South Dakota, and Missouri to New York and other eastern points approximates 35 cents per hundredweight. This is very much in excess of the cost of laying down Argentine corn at the same points.

The existing law not only gives the Argentine farmer the advantage of his cheap lands but also of cheap water transportation. With respect to the importations at New York, I have pointed out that the commodity was almost entirely consumed by the Corn Products Co., a Standard Oil concern. The question now occurs, Who got the benefit of the importation? I think no one will contend that the Corn Products Co. has reduced the price to the consumer upon any of its products. It is evident that the Government has lost revenue that might have been received through the levying of a reasonable tariff. It would seem, therefore, that in this instance the only party to be benefited was the Corn Products Co.

An examination of the railway tariffs will disclose that the rates from a very large portion of the wheat and oat producing section of western Canada to the primary market at Minneapolis are lower than from a large portion of Iowa, Nebraska, and South Dakota. But inasmuch as our Interstate Commerce Commission has no power to control or regulate the rates upon Canadian railways or investigate the facts concerning those rates, there will always remain an element of uncertainty as to just what the Canadian traffic is bearing in that respect.

Earlier in my remarks I called your attention to the effect of Canadian importation upon the price of oats in our domestic market. Permit me now to call your attention to the general effect of Canadian importation upon other commodities. The great agricultural staples of Canada are wheat, oats, barley, and flaxseed. All of these commodities now come freely upon our market. I will ask permission, therefore, to insert at this point a short table compiled from the statistics contained in Farmers' Bulletin No. 611, issued July 21, 1914, by the Department of Agriculture. This table gives the average price at the local markets of the United States of various farm commodities on July 1, 1914, as compared with the five years' average of that date, and also the range of prices for June, 1914, as compared with June, 1912.

Comparative prices of wheat, oats, barley, and flaxseed in Iowa and the United States, July 1, 1914, and average price for 5 years.

	Wheat.		Oats.		Barley.		Flaxseed.	
	1914	5-year average.	1914	5-year average.	1914	5-year average.	1914	5-year average.
	Cents.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
Iowa	77	92	34	40	50	64	124	170
United States	76.9	96.2	38.8	45.2	47.5	65.3	136.0	170.8

Range of prices of certain agricultural products June, 1914, and June, 1912.

Products and markets.	June, 1914.	June, 1912.
Wheat per bushel:		
No. 2 red winter, St. Louis	$0.75½–$0.97	$1.06 –$1.19
No. 2 red winter, Chicago	.78½– .96⅝	1.06 – 1.13½
No. 2 red winter, New York[1]	.96¼– 1.10	1.21½– 1.28½
Corn per bushel:		
No. 2 mixed, St. Louis	.68½– .73½	.72½– .79
No. 2, Chicago	.68¼– .73½	.72½– .76
No. 2 mixed, New York[1]		.78½– .84
Oats per bushel:		
No. 2, St. Louis	.36⅝– .40⅜	.49½– .54½
No. 2, Chicago	.37½– .42	.50½– .53¾
Rye per bushel: No. 2, Chicago	.58 – .67	.75 – .90
Baled hay per ton: No. 1 timothy, Chicago	14.50 –16.00	17.50 –25.00
Hops per pound: Choice, New York	.36 – .40	.37 – .45
Wool per pound:		
Ohio fine unwashed, Boston	.22 – .25	.21 – .23
Best tub washed, St. Louis	.30 – .33	.33 – .35
Live hogs per 100 pounds: Bulk of sales, Chicago	7.80 – 8.40	7.25 – 7.70
Butter per pound:		
Creamery, extra, New York	.26½– .28	.26 – .27½
Creamery, extra, Elgin	.26¼– .27½	.25 – .25½
Eggs per dozen:		
Average best fresh, New York	.22½– .28	.21 – .27
Average best fresh, St. Louis	.14 – .18	.16 – .17
Cheese per pound: Colored,[2] New York	.13½– .15	.13½– .14

[1] F. o. b. afloat.

[2] September colored—September to April, inclusive; new colored May to July, inclusive; colored August.

An examination of these tables will clearly refute many of the wild statements that have been disseminated throughout the country as to the relation of present prices to prices in the past. Prices of farm products at the present time are high in spite of the influence of the importation of foreign product. Last year we experienced a short crop in many sections of the country, and especially was this true of corn. The present range of prices of course is dominated by the war in Europe. We have, in fact, had abnormal conditions since the first of the year. Delicate international conditions have existed in Europe. With the opening of the Balkan war a strained condition existed among European nations which continued up to the time of the opening of the present conflict. During this period of time the foreign market for food products has been active. England, France, and Germany, as well as other European nations, have been laying in a surplus store. These conditions have all tended to strengthen the demand and increase the price of farm products in the United States. Notwithstanding these conditions, however, prices of substantially all farm products ranged lower this year up to the 1st of July than in 1912. On July 1 the index figure of crop prices, while higher than a year ago, was 14 per cent lower than on July 1, 1912. I call attention to these facts because I have heard it frequently claimed that farm prices during the first six months of the present year were much higher than in previous years. The particular matter to which I desire to direct attention in this connection is importations from the Canadian Provinces and Argentina. One of the questions at least that the western farmer has to consider is whether unrestricted or practically unrestricted importation of farm products from Canada is conducive to his welfare or whether it tends in the opposite direction, whether Canadian competition is a thing to be invited because it is calculated to enhance his prosperity or whether we should restrict that competition with a view to giving the American farmer the benefit of the American market and to encourage the agricultural industries of the country. What is true in the case of Canada as applied to wheat, oats, barley, flax, and other cereals is equally true as applied to the unrestricted importation of corn from Argentina. It may take a little longer time before the importations of corn will seriously affect our home market, but to the extent of the ability of that country to import corn its tendency will be to lower the price of the American product and, unless conditions change, without benefiting the ultimate consumer of that product.

Mr. GOOD. Mr. Chairman, in view of the lateness of the hour, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Iowa makes the point of no quorum present. The Chair will count. [After counting.] Fifty-nine Members present, not a quorum, and the Clerk will call the roll.

The Clerk proceeded to call the roll, and the following Members failed to answer to their names:

Adair	Anthony	Bell, Ga.	Browning
Adamson	Aswell	Borland	Brumbaugh
Aiken	Austin	Brockson	Burke, Pa.
Ainey	Barnhart	Broussard	Burke, Wis.
Anderson	Bartholdt	Brown, N. Y.	Burnett
Ansberry	Bartlett	Browne, Wis.	Byrnes, S. C.

Calder	Goeke	Lewis, Pa.	Post
Cantor	Goldfogle	Lindquist	Powers
Cantrill	Gordon	Linthicum	Prouty
Carlin	Gorman	Lloyd	Ragsdale
Carr	Graham, Ill.	Loft	Rainey
Carter	Graham, Pa.	Logue	Rayburn
Cary	Green, Iowa	Lonergan	Riordan
Chandler, N. Y.	Griest	McClellan	Rupley
Church	Griffin	McGillicuddy	Sabath
Claypool	Hamill	McGuire, Okla.	Saunders
Cline	Hamilton, Mich.	McKenzie	Scully
Covington	Hamilton, N. Y.	MacDonald	Sells
Crisp	Hardwick	Mahan	Shackleford
Danforth	Hart	Maher	Sherley
Davenport	Haugen	Mann	Sisson
Deitrick	Hay	Martin	Small
Dies	Hensley	Merritt	Smith, Md.
Dixon	Hill	Metz	Smith, N. Y.
Dooling	Hinds	Miller	Smith, Saml. W.
Dunn	Hinebaugh	Mondell	Sparkman
Eagle	Howard	Montague	Stanley
Elder	Hoxworth	Moore	Steenerson
Esch	Humphrey, Wash.	Morgan, La.	Stephens, Nebr.
Estopinal	Humphreys, Miss.	Morin	Stevens, N. H.
Evans	Johnson, S. C.	Moss, W. Va.	Stringer
Fairchild	Jones	Mott	Switzer
Faison	Keister	Murdock	Talbott, Md.
Farr	Kelley, Mich.	Murray, Mass.	Taylor, Ala.
Fess	Kent	Nelson	Taylor, N. Y.
Finley	Key, Ohio	Norton	Underhill
Fitzgerald	Kiess, Pa.	O'Hair	Vollmer
FitzHenry	Kindel	O'Leary	Wallin
Flood, Va.	Kinkaid, Nebr.	O'Shaunessy	Walsh
Fowler	Kinkead, N. J.	Padgett	Watkins
Francis	Kitchin	Paige, Mass.	Weaver
Frear	Knowland, J. R.	Parker	Whaley
Gallivan	Korbly	Patten, N. Y.	Whitacre
Gard	Lazaro	Patton, Pa.	Wilson, N. Y.
Gardner	Lee, Pa.	Payne	Winslow
George	L'Engle	Peters	Woodruff
Gerry	Lenroot	Peterson	Woods
Gillett	Lever	Platt	Young, Tex.
Godwin, N. C.	Levy	Porter	

The committee rose; and the Speaker having resumed the chair, Mr. CONRY, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill H. R. 14233, found itself without a quorum, the Chair had caused the roll to be called, and 236 Members had answered to their names, and he therewith presented a list of the absentees.

The committee resumed its sitting.

The CHAIRMAN. The time for general debate having expired, the Clerk will read the bill.

The Clerk read the first section of the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he hereby is, authorized and directed to survey the lands of the United States in the Territory of Alaska known to be valuable for their deposits of coal, and to lease such lands or the deposits of coal contained therein, as hereafter provided, preference to be given first in favor of surveying lands within those areas commonly known as the Bering River, Matanuska, and Nenana coal fields, and thereafter to such areas or coal fields as lie tributary to established settlements of existing or proposed rail or water transportation lines: *Provided*, That such surveys shall be executed in accordance with existing laws and rules and regulations governing the survey of the public lands: *Provided further*, That the Secretary of the Interior may, as herein provided, with a view to facilitating development and without awaiting said surveys, make such awards of leases in the coal fields in Alaska as he may deem advisable and under such regulations as he may prescribe; the locations of such leases shall be distinctly marked upon the ground under his direction, so that their boundaries can be readily traced.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word.

Mr. FERRIS. Has the gentleman an amendment which he desires to offer?

Mr. STAFFORD. I prefer to have unanimous consent that amendments may be offered to this section at the next meeting.

Mr. FERRIS. There is no disposition to preclude any gentleman from offering amendments. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. CONRY, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 14233) to provide for the leasing of coal lands in the District of Alaska, and for other purposes, and had come to no resolution thereon.

ENROLLED BILLS SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled joint resolution of the following title, when the Speaker signed the same:

H. J. Res. 327. Joint resolution to correct error in H. R. 12045.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 6357. An act to authorize the establishment of a bureau of war-risk insurance.

CHANGE OF REFERENCE.

The SPEAKER laid before the House the following request:

Mr. VAUGHAN asks unanimous consent that the Committee on Claims be discharged from the further consideration of the bill (S. 4254) to enable the Secretary of War to pay the amount awarded to the Malambo fire claimants by the joint commission under article 6 of the treaty of November 18, 1903, between the United States and Panama, and that the same be hereby referred to the Committee on Foreign Affairs.

The SPEAKER. Is there objection?

Mr. GARRETT of Tennessee. Mr. Speaker, does not that properly belong under the rules to the Committee on Claims?

The SPEAKER. It looks like it on the face of it.

Mr. GARRETT of Tennessee. Is it a request by the committee or an individual?

The SPEAKER. The situation is this: It involves treaty relations, and the Committee on Foreign Affairs has a House bill of the same tenor. The Committee on Claims wants to get rid of it.

Mr. STAFFORD. Reserving the right to object, Mr. Speaker, has this action been taken by the full Committee on Claims?

The SPEAKER. The Chair can not tell. The Chair will inquire of the gentleman from Texas if the change of reference is with the consent of the Committee on Claims?

Mr. VAUGHAN. It is.

The SPEAKER. Is there objection to the request?

There was no objection.

ADJOURNMENT.

Mr. FERRIS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock p. m.) the House adjourned until to-morrow, Tuesday, September 1, 1914, at 12 o'clock noon.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 15176) granting an increase of pension to Dennis Carroll, and the same was referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HENRY: A bill (H. R. 18605) for the temporary relief of the cotton growers and producers of agricultural products; to the Committee on Banking and Currency.

By Mr. TOWNER: A bill (H. R. 18606) to amend an act approved February 6, 1905, relating to the issuance of bonds and other matters affecting the Philippine Islands, and to increase the limit of indebtedness as therein provided; to the Committee on Insular Affairs.

By Mr. STEVENS of Minnesota: A bill (H. R. 18607) to authorize the Chicago, Milwaukee & St. Paul Railway Co. and the Chicago, St. Paul, Minneapolis & Omaha Railway Co. to construct a bridge across the Mississippi River at St. Paul, Minn.; to the Committee on Interstate and Foreign Commerce.

By Mr. HAY: A bill (H. R. 18608) to provide for the restoration of retired officers to the Army; to the Committee on Military Affairs.

By Mr. MURRAY of Oklahoma: A bill (H. R. 18609) authorizing the Secretary of the Interior to lease for mining purposes certain lands on the Ponca Indian Reservation, Okla.; to the Committee on Indian Affairs.

By Mr. FREAR: Resolution (H. Res. 613) directing the Committee on the Judiciary of the House to investigate and report what secret or public activities have been undertaken by the National Rivers and Harbors Congress regarding the passage of the rivers and harbors bill; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARTHOLDT: A bill (H. R. 18610) for the relief of the Buffalo River Zinc Mining Co.; to the Committee on Claims.

By Mr. BORLAND: A bill (H. R. 18611) granting an increase of pension to Louise Strassler; to the Committee on Invalid Pensions.

By Mr. BURNETT: A bill (H. R. 18612) for the relief of the heirs of Elijah Glass; to the Committee on War Claims.

By Mr. CARR: A bill (H. R. 18613) granting a pension to Maria L. Moore; to the Committee on Invalid Pensions.

By Mr. CLARK of Missouri: A bill (H. R. 18614) granting an increase of pension to Archibald F. Bottoms; to the Committee on Invalid Pensions.

By Mr. CLAYPOOL: A bill (H. R. 18615) granting an increase of pension to Joshua D. Smith; to the Committee on Invalid Pensions.

By Mr. KENNEDY of Connecticut: A bill (H. R. 18616) granting an honorable discharge to Thomas McCarthy; to the Committee on Military Affairs.

By Mr. LONERGAN: A bill (H. R. 18617) for the relief of William Dixon; to the Committee on Military Affairs.

By Mr. MURDOCK: A bill (H. R. 18618) granting an increase of pension to George E. Harris; to the Committee on Invalid Pensions.

By Mr. NEELEY of Kansas: A bill (H. R. 18619) granting a pension to William W. Peyton; to the Committee on Pensions.

Also, a bill (H. R. 18620) granting a pension to Edward Sheehan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18621) granting a pension to Allen Sigler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18622) granting a pension to James Kinser; to the Committee on Invalid Pensions.

By Mr. SMITH of Idaho: A bill (H. R. 18623) granting a pension to John Shanks; to the Committee on Pensions.

By Mr. SMITH of New York: A bill (H. R. 18624) for the relief of the Lackawanna Steel Co.; to the Committee on Claims.

By Mr. TEN EYCK: A bill (H. R. 18625) for the relief of Anthony Schnell; to the Committee on Claims.

By Mr. WICKERSHAM: A bill (H. R. 18626) granting an increase of pension to Mary E. Miller; to the Committee on Invalid Pensions.

By Mr. RAKER: A bill (H. R. 18627) to correct the military record of George F. Reid and to pay his widow, Isabella Reid, a pension; to the Committee on Military Affairs.

By Mr. FITZHENRY: A bill (H. R. 18628) granting pensions to certain enlisted men, soldiers and officers, who served in the Civil War; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER: Petition of the Chautauqua Assembly at Louisiana, Mo., urging adoption of antipolygamy resolution; to the Committee on the Judiciary.

By Mr. ASHBROOK: Petition of Mrs. M. S. McCune and other ladies of the Woman's Missionary Society of the Methodist Episcopal Church of Sulde, Ohio, protesting against the passage of House bill 16804, relative to railroad tracks opposite Sibley Hospital in Washington, D. C.; to the Committee on Interstate and Foreign Commerce.

By Mr. BRUCKNER: Petition of the Washington Heights Taxpayers' Association, relative to proposed improvement of the United States ship canal at Spuyten Duyvil; to the Committee on Rivers and Harbors.

Also, petition of District Grand Lodge No. 1, Independent Order B'nai B'rith, against literacy test in immigration; to the Committee on Immigration and Naturalization.

Also, petition of the National Child Labor Committee, favoring passage of House bill 12292, relative to reform in child labor; to the Committee on Labor.

Also, petition of the American Optical Association, favoring the passage of the Stevens bill, House bill 13305; to the Committee on Interstate and Foreign Commerce.

Also, petition of Sam S. Brewer, of New York, against national prohibition; to the Committee on Rules.

By Mr. BURKE of Wisconsin (by request): Petition of the Woman's Christian Temperance Union of Fort Atkinson, Wis., favoring national prohibition; to the Committee on Rules.

By Mr. CARY: Petition of various manufacturers of Wisconsin relative to importation of chemicals, etc., from foreign countries now at war; to the Committee on the Merchant Marine and Fisheries.

By Mr. FRANCIS: Petition of the Methodist Protestant Christian Endeavor Society of Steubenville, Ohio, favoring national prohibition; to the Committee on Rules.

By Mr. KAHN: Petition of H. L. Judell & Co. and the Retail Cigar Dealers' Association of San Francisco, Cal., protesting against any additional revenue tax on cigars; to the Committee on Ways and Means.

By Mr. LONERGAN: Petition of certain citizens of Branford, Conn., in favor of consideration of the woman-suffrage amendment at the present session of Congress; to the Committee on Rules.

By Mr. McGILLICUDDY: Petitions of various business men of Waldoboro, Damariscotta, South Bristol, Boothbay, Bath, and Stonington, all in the State of Maine, favoring passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. MAGUIRE of Nebraska: Petitions of various business men of Barada, Shubert, Brownville, and Peru, all in the State of Nebraska, favoring the passage of House bill 5303, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. MERRITT: Petition of Lucy Skerry, of Bangor, N. Y., favoring the appointment of a national motion-picture commission; to the Committee on Education.

Also, petition of Mr. James Skerry, of Bangor, N. Y., favoring national prohibition; to the Committee on Rules.

Also, petition of Mr. James Skerry, of Bangor, N. Y., urging the appointment of a national motion-picture commission; to the Committee on Education.

Also, petition of Lucy Skerry, of Bangor, N. Y., favoring national prohibition; to the Committee on Rules.

By Mr. MURRAY of Oklahoma: Petitions of various Sunday schools of Kay County, Hunter, Tipton, Caddo County, Oklahoma City, Cherokee, the Presbyterian Church of Tulsa and Christian Endeavor Society of Tulsa, and the United Brethren in Christ Sunday School at Dacoma, all in the State of Oklahoma, favoring national prohibition; to the Committee on Rules.

By Mr. NEELEY of Kansas: Petition of various business men of Bucklin, Kans., favoring House bill 5308, to tax mail-order houses; to the Committee on Ways and Means.

By Mr. RAKER: Petition of the San Francisco (Cal.) Retail Cigar Dealers' Association, against proposed revenue tax on tobacco; to the Committee on Ways and Means.

Also, petition of sundry citizens of Altemas, Modoc County, Cal., for a post-office building at Altemas, Cal., signed by 589 patrons of the United States post office, to accompany H. R. 18554; to the Committee on Public Buildings and Grounds.

Also, petition of the Master Roofers and Manufacturers' Association, of San Francisco, Cal., against passage of Clayton antitrust bill at present time; to the Committee on the Judiciary.

By Mr. REED: Petition of the Manchester (N. H.) Branch of the German National Alliance, favoring disapproval by United States Government of Japan's participation in the European war; to the Committee on Foreign Affairs.

By Mr. STAFFORD: Memorial of various manufacturers of Wisconsin, relative to importation of chemicals from Germany; to the Committee on the Merchant Marine and Fisheries.

By Mr. WILLIS: Petition of C. A. Burrows, of Lancaster, Pa., in favor of adoption of House bill 4352, relative to old-age pensions; to the Committee on Pensions.

Also, petition of Cecil Carpenter and other citizens of Ostrander, Ohio, in favor of House joint resolution 168, relative to national prohibition; to the Committee on Rules.

Also, petition of International Union of Journeymen Horseshoers of America, against the passage of House joint resolution 168, relative to national prohibition; to the Committee on Rules.

Also, petition of Viola Cole and other citizens of Kilbourne, Ohio, in favor of House joint resolution 168, relative to national prohibition; to the Committee on Rules.

SENATE.

TUESDAY, *September 1, 1914.*

(Legislative day of Tuesday, August 25, 1914.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

PROPOSED ANTITRUST LEGISLATION.

The VICE PRESIDENT. The Senate resumes the consideration of the unfinished business.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

The VICE PRESIDENT. The pending question is on the amendment of the Senator from Iowa [Mr. KENYON] to the amendment of the Senator from Missouri [Mr. REED].

Mr. REED. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Chamberlain	Hitchcock	Kern
Bryan	Chilton	Hollis	Lane
Burton	Culberson	Jones	Lea, Tenn.
Camden	Gallinger	Kenyon	Lewis